The China Weekly

REVIEW

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December 24, 1938

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In the United States Court for China

WALTER NORMAN RUSSELL, Plaintiff, vs. LILA LEVOVNA ZIMMERMAN RUSSELL, Defendant.	Cause No. 4379 Civil No. 2258 ORDER. Filed at Shanghai, China, December 9th, 1938. WILLIAM T. COLLINS Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorney, has this 9th day of December, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 9th day of December, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 9th day of December, 1938, Walter Norman Russell, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last year previous to the 9th day of December, 1938;

NOW THEREFORE it is this 9th day of December, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review," a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays occurring after the 31st day of December, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

MILTON J. HELMICK,
Judge.

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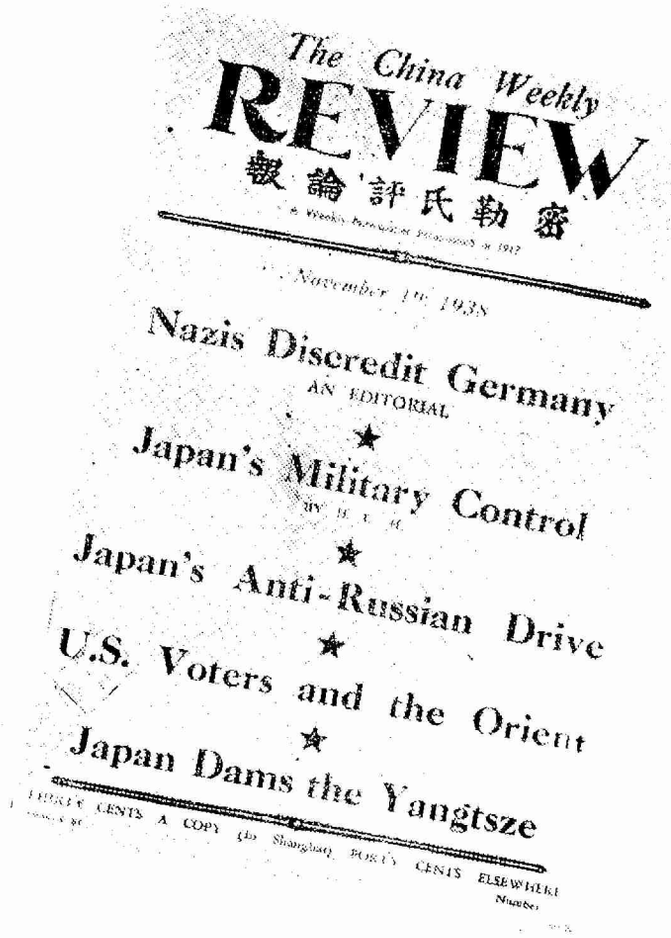

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

CHINA AND THE JEWS

To The Editor:

World-wide resentment and sympathetic feeling have been aroused at the Nazi violence directed against the Jewish minority in Germany. This violence, it is alleged, is a sort of retaliation for the murder of Herr von Rath, third secretary of the German Embassy in Paris, by a Jewish youth. In fact the recent persecution of the Jews is not the first of its kind in Germany. It has been ruthlessly practised for quite long years for no other reason than that of looting their wealth and deporting them out of German territory.

Practically all civilized peoples in the world, save those bellicose hooligans, are unanimous in expressing their mounting indignation and disgust and are urgently making appeals to put a stop to such ignominious and barbarous acts. Such public denunciation is most marked in the United States and Great Britain.

Without question, we, Chinese, are specially interested in the attitude of the two big democratic nations toward the hooliganism of a Fascist power. Those who voice their protest against the German riot should not lose sight of the fact that we, Chinese, are also suffering the severest torture under the Japanse imperialists. True, we have also received unstinted sympathy from the American and British peoples, for which we shall express our deepest joy and gratitude.

But sympathy alone proves no effective remedy for the Japanese inhuman acts. It is because of the weak-kneed policy of Chamberlain toward the Fascists, coupled with the fact that a large quantity of ammunition has been time and again shipped to Japan, that the Japanese are all the more audacious. International terrorism has reached a high pitch, and lip-service is decidely not a powerful weapon. If it is left to develop in its own way without restraint, not only democracy will be doomed but humanity as a whole will be at stake. So it is fervently to be hoped that under the leadership of the United States and Great Britain some concrete actions will be taken by all people throughout the whole world to quell such barbarous acts and to make the world safe for democracy as well as for mankind to live in.

T. W. LOH.

Shanghai, Dec. 9, 1938.

ITALY AND CHINA

To The Editor:

I read with great interest in the local press, reports that the new Italian ambassador to China, Marquis de Marchio Taliani, instead of presenting his credentials at Chungking, is spending his time here in Shanghai, where he is wined and dined by the Japanese puppets. I have seen him in a local cabaret, too.

This seems to me rather extraordinary behavior for a diplomat to indulge in—hobnobbing with the enemies and traitors to the country to which he is accredited. Some years ago, when the Chinese were so enthusiastic about China's new-found friendship with Italy, I wondered if they would not live to regret it. It is only too clear that the Italians are now intriguing with Japan and behaving in a manner detrimental to China's interests.

It is even possible that Italy is already dickering with the enemies of China for a share in the expected spoils.

Thanking you for your space.

BONJORNO.

Shanghai, Dec. 11, 1938.

FROM CANTON

To The Editor:

Your notice of my dues for the coming year came just before all communication with the outside world was cut off, and I never expected to see another copy of the **Review**. Now the Oct. 15 and 22 issues have arrived and so I forward my check for the next six months.

The Canton International Committee of the Red Cross has been reorganized, with myself as chairman and Mr. O. L. Dawson as secretary-treasurer. There is a very active Refugee Areas Relief Committee, of which Dr. J. M. Henry is chairman. Camps are located at Lingnan University, Pak Hok Tung, the Blind School, the school at Fati and the Holy Trinity School. The Canton and Hackett hospitals are caring for refugee patients.

A relief ship, the **Wuchang**, recently arrived from Hongkong bringing supplies, rice, etc., also 12 volunteer workers and doctors and nurses. The camps are well organized and are caring for 17,000 inmates. But there are many thousands more who are unable to gain access.

T. W. CADBURY.

Canton, Dec. 1, 1938.

ISOLATIONISM IS DEEP

To The Editor:

Isolationism is deep, and I sometimes think, unshakable. The country is still overwhelmingly anti-Japanese. The government, I think, would like to take stronger measures, but the overwhelming sentiment of the country seems against any action of any kind outside the country's borders. And the Munich capitulations have reinforced that sentiment. It has brought to a head all the post-war distrust of the outer world. But something may be brewing now. The Japanese declaration

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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after Hankow may bring some stiffer action, especially if the British come into line. I don't think anything short of reprisals will do any good; but reprisals are not out of the question. There are no illusions about Japan on the part of those who know the Far East. They know what to expect if Japan is successful. Japan's apologists' statements about respect for the Open Door are now received with giggles even from the man in the street.

EX-CHINA HAND.

New York, Nov. 11, 1938.

ADVENTURE BY MAIL

To The Editor:

You published a report from a subscriber in Kiangsi telling of a man who drove his car more than 100 miles to get a copy of the **Review**. Here is another one: Your statement covering renewal of my subscription, when it finally reached me, bore the following post-marks: Stamp cancellation at Swatow, thence to Chiang Wen Pu in Kwangtung, thence to Kweilin, thence to Hengyang in Hunan and finally to Nanchang in Kiangsi. The stamp was cancelled on Oct. 17 and it arrived here on Nov. 27. My check is enclosed and please accept my thanks as I have received every number.

L. W.

Nanchang, Dec. 7, 1938.

NANCHANG BOMBING

To The Editor:

Being a regular reader of the **Review**, I always appreciate your fine journalism, and especially your impartial views concerning Japan's present aggression in China.

I have to inform you that my school—Kan Sen Academy, Nanchang—has been twice bombarded by Japanese bombers. Most of the buildings have been destroyed. I am much obliged to you if you will include this in the list of the damage to Chinese cultural institutions.

M. T. Y.

Nanchang, Dec. 4, 1938.

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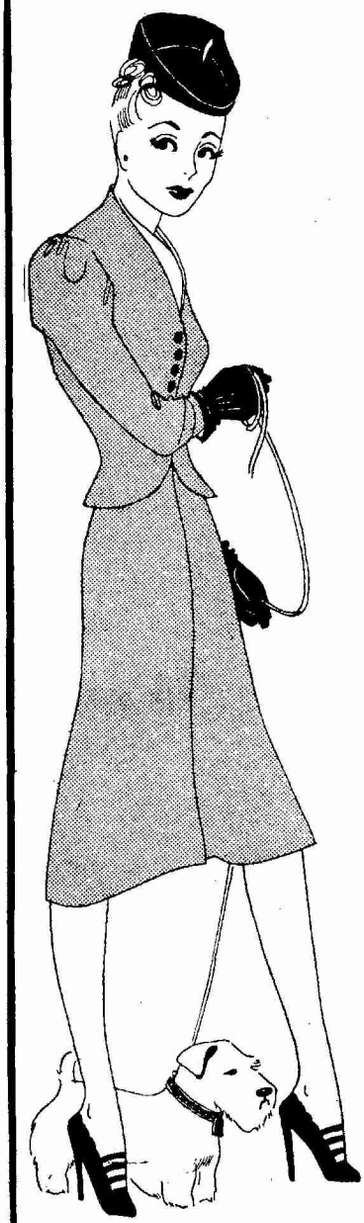

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Volume 87 Shanghai, China, Saturday, December 24, 1938 Number 4

WHAT ABOUT INVESTMENTS OF AMERICANS AND OTHERS?

SIX or eight years ago American aviation interests sent representatives to China and as a result of their investigations a cooperative arrangement was entered into whereby American aviation concerns, manufacturers as well as operators, assisted the Chinese in developing their air-mail and passenger lines. Pan-American and affiliated concerns were primarily interested in the enterprise which took the form of a semi-official company known as China National Aviation Corporation, in which the Chinese Government nominally owned 51 percent of the capital stock. However, the stock ownership was not a correct indication of the American interest because the Americans made financial advances or extended credits for the purchase of new equipment, development of airfields, construction of assembly and repair plants.

In addition a school was established for the training of Chinese technicians and aviators, the intention being to develop Chinese flying technique as rapidly as possible. The efforts of the directors were so successful in this regard that the Chinese were rapidly taking over many of the activities of the enterprise. It was reported that in some phases of the work Chinese technicians were the equals of their American associates.

The extent of the American investment in C.N.A.C. was not known but must have been considerable because regular services were maintained on lines from Shanghai to Tientsin and Peiping; from Shanghai to Hankow, Chungking and Chengtu; from Shanghai to Canton and Kunming (Yunnanfu).

Then came the so-called "incident" at Marco-Polo Bridge at Peiping, followed by general Japanese intervention and cessation of peacetime commercial aviation. Fortunately the American and Chinese aviators connected with C. N. A. C. suceeded in salvaging most of the planes, but the Japanese seized or destroyed about everything else including airdromes, manufacturing and assembling equipment. The large American staff was finally disbanded and most of the men returned to the United States.

Now we read in a recent *Domei* report (Peiping, Dec. 18) that the Japanese Army, in cooperation with certain private Japanese interests, has formed a so-called "Chinese Aviation Company," which is capitalized at Yen 6,000,000, the shareholders being the Japan Aviation Company of Tokyo, the Hui-Tung Aviation Company, another Japanese controlled concern which operates in North-China and Inner-Mongolia which is supposed to have minority capital investments by the two puppet administrations in North China, the "Provisional" government at Peiping and the Mongolian regime.

According to *Domei* report the new Japanese aviation concern will operate lines radiating out of both Peiping and Shanghai which previously were operated by other military-supported Japanese concerns. Through a coincidence this announcement appeared in the local papers a day or so before the publication of Mr. Arita's declaration that Japan's so-called "new order in East Asia" would not interfere with the economic activities of third parties—except in certain cases where requirements of national defense and economic security were involved in the Japan-Manchukuo-China "bloc."

It is presumed that the ousting of the American-Chinese company and arbitrary taking over of its extensive interests by the Japanese Army-supported concern comes within the category of "requirements of national defense and economic security of the bloc." In ordinary human relationships such an action would be classified as plain robbery and would be the basis of action by the authorities concerned with the enforcement of laws against criminals. But since the Japanese action was taken by the Imperial Army, the authorities of Tokyo do not appear to have any qualms of conscience or to be experiencing any apprehension that anything will be done about it.

The case of Pan-American aviation interests is cited because there was no possible element of "imperialistic" aggression involved. The American interests were invited to participate on a purely contractual basis and the only interest they had, aside from the element of profit, was the sincere desire to see the Chinese develop a modern and efficient aviation service. In this they were highly successful—until the Japanese militarists came along and wrecked everything.

Numerous other examples can be cited such as Radio Corporation of America which helped the Chinese develop the modern radio installation at Chenju, near Shanghai, which the Japanese bombed and wrecked and later on took over and recently handed to a private Japanese group which is intimately connected with the Army.

A recent bombastic article circulated from Nanking by the official Japanese *Domei* news service told of Japan's plans to develop communication services in the lower Yangtsze delta district—railways, bus lines, telegraphs, postal and aviation lines, navigation lines on inland rivers and canals. With the exception of the government owned telegraphs and posts, most of the other services contained large private investments, in some instances by foreigners. This was especially true of the Shanghai-Nanking-Hangchow Railway, which was government-owned but contained extensive British capital investment. The report stated that most of these interests would be reorganized *under Sino-Japanese management, chiefly controlled by the military.*

HITLER PRESENTS SHANGHAI WITH ANOTHER RELIEF PROBLEM

SHANGHAI relief agencies, already overtaxed with the care of homeless and destitute Chinese refugees resulting from the Japanese invasion, were presented with a new problem this week with the arrival on an Italian boat of some 600 Jewish refugees from Austria. The total number here now exceeds 1,000 and according to report a similar number will arrive in January with still more scheduled to sail on German, Italian and Japanese ships, which will bring the total here within a few weeks from 4,000 to 5,000.

Since the local Jewish community numbering some 5,000 persons had already been supporting some 1,200 destitute Jews, mostly Russians, it was decided to refer the problem to the American Red Cross at Washington with a request that the matter be brought to the attention of American Joint Distribution Agency in New York and the Grand Lodge B'nai B'rith at Washington in the hope that financial assistance might be provided. Shanghai Jews, according to the report, had raised $60,000 (local currency) and had pledged themselves to raise $15,000 a month. In addition the sum of U.S.$5,000 had been received from relief agencies in London and New York, practically all of which had been expended.

Hitler's Shield

Louisville Courier-Journal U.S.A.

Since about 90 per cent of those arriving here are in destitute circumstances and unable to find jobs locally, the problem was obviously beyond the financial ability of the local Jewish community, hence the decision to make an appeal to relief agencies abroad.

It was originally planned to send a considerable number of the refugees to Tientsin and also to Manchukuo, but the Japanese Army authorities not only refused to grant landing permits for Jews at Tientsin (on the ground they might be Communists), but practically staged a pogrom against the Jews in Manchukuo by making wholesale arrests on charges of illicit dealings in Manchukuo's slumping currency.

The Japanese Army's regulations covering Jewish immigration in North China (*Asahi Shimbun* Dec. 10) said, "No positive welcome shall be extended to Jews, and Red elements shall be rejected resolutely, but special consideration shall be given to those possessing capital and technical skill."

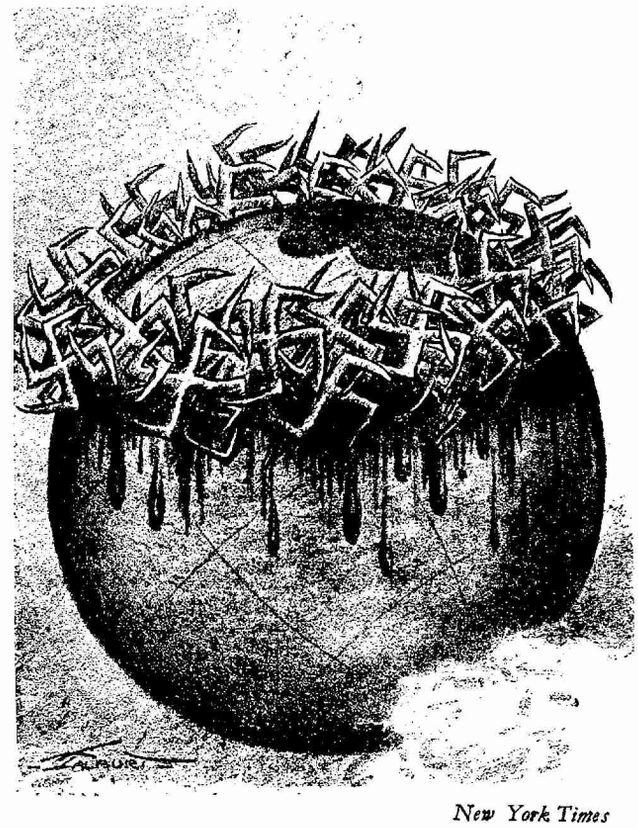
With reference to Manchukuo, a dispatch from Dairen, through the German *Transocean* service, quoted Japanese military authorities as declaring, "There can be no question of Manchukuo being used as a dumping ground for Europe." The German correspondent attributed the sudden change in the attitude of the Japanese military authorities as being due to recent allegations that Jews (white Russians) had been involved in extensive speculation and smuggling of Manchukuo's depreciating currency."

Most of the Jews arriving in Shanghai in destitute condition actually possess or did possess considerable property which was taken away from them by the German Government. In many cases they were even forced to pay German officials for articles such as Jewelry and cameras which were in their possession as they crossed the German border.

According to a report in *Time Magazine* (Nov. 21) the Nazis, "by holding the Jewish community in Germany in a state of general inability to earn a living, Nazis hoped to force the international Jewish communities over the world to remit to Germany huge enough sums of 'good money' to keep their Jewish relatives in the Reich from going too hungry or too cold. In consequence the American dollars and English pounds and French francs to be secured by 'shaking down' the whole Jewish race, as boasted by some Nazis, would be used to pay for such vital imports as Germany could not get by her barter deals." According to *Time* Hitler's personal associates had openly hinted at this "gangster-blackmail" scheme for a considerable time.

Another widely circulated magazine, *Newsweek* (Nov. 21) said that Jewish wealth in pre-Nazi Germany was estimated at 20,000,000,000 marks, but Nazi measures had caused it to shrink to about 8,000,000,000. The violence incidental to the pogrom had caused Jewish possessions to shrink another billion, to such an extent that many Berlin Jews were unable to pay their portion of the arbitrary assessment of 1,000,000,000 which the Hitler Government levied. A *Reuter* report from Berlin stated that only a small proportion were able to pay their assessments. The first instalment amounted to 250,000 marks was levied on Jews possessing over 5,000 marks worth of property. Large numbers instructed their bankers to sell their securities or arrange mortgages on their property. Some 100 of the wealthier Jews in Berlin were assessed an additional 150,000 marks each by the Jew-baiter Goebbels, not as part of the fine for the murder of von Rath, but to pay for damages to Jewish property by Nazi gangsters who were responsible for the smashing of shop-windows and looting of stocks.

World's New Crown of Thorns



New York Times

The reaction resulting from the wholesale disposal of Jewish-owned securities on the Berlin Bourse was so sharp that the Jews were ordered to stop selling their stocks and bonds.

U. S. Secretary of the Interior, Harold L. Ikes, member of President Roosevelt's Cabinet, in the course of an address attacking Fascism (Dec. 19) said that it was an insult to the Middle Ages to compare modern totalitarianism with conditions in those days. He declared, "To seek a true comparison, we must return to a period when man was unlettered, benighted and bestial . . . . Certain sections of Europe today make it possible for anthropologists to study primitive man without the reconstruction of a social order on the basis of human jaw bones or a few implements used long ago. . . . The intelligence and culture of a humane people have been sunk and are traceless in the thick darkness of primitive times . . . . Withcraft has been enthroned and modern dictators have set themselves up as High Priests of a more cruel, if a more refined voodooism . . . As a man-God ruler of a tribe, the dictator follows a form familiar to every student of primitive culture.

"Anti-Red Axis" Invades the Pacific

Editorial Correspondence

THROUGH the adroit use of intimidation and the mailed fist, the Reich-Italian-Japanese "axis" has become one of the major factors in the complex interplay of forces in the Pacific area. Threatening war to nations either unwilling or not yet prepared to fight, the members of the "aggressor bloc" have made deep inroads into the interests of their rivals.

The ties binding the three Fascist Powers in the Orient are apparently still fairly loose. All three are united under the ambiguous Anti-Comintern pact, which is seemingly directed as much against Red Russia as against the very conservative Albion.

Germany last month concluded a "cultural pact" with Japan, providing for the planting of Nazi ideas on the receptive Nipponese soil. Italy has with Tokyo a treaty of commerce and amity, which provides for the barter of Nippon-made goods for Italian munitions.

Both the European nations have, moreover, extended diplomatic recognition to the "independent" Empire of Manchukuo, Nippon's faithful Man Alphonso, whom they drain dry of agricultural products in exchange for machinery sent to Japan proper.

Whether there is a military pact uniting the three aggressor nations is not certain. Information secured from thoroughly reliable Japanese sources indicates that military and political co-operation between Italy and Japan was discussed early this year by two Italian missions which made extended stays in Tokyo. It was also said that, as a part of the agreement reached, Italian bombers were to have been bartered to Japan for Manchurian soya beans.

While no official confirmation of this report could be obtained, Rome—at that time engaged in a bitter squabble with London—could not but profit greatly from any military understanding which tended to divide the British attention, and navy, between the Mediterranean and the Pacific.

Reports of a loose military understanding among the three nations were revived during the Czechoslovakian crisis, when Government spokesmen in Tokyo unburdened themselves of very unequivocal pledges to help Rome and Berlin to protect civilization and combat Communism.

No one will ever know the exact nature of the important messages,—including one from Marshal Goering,—brought to Tokyo early this month aboard the Condor plane, which later sank ingloriously in shallow water off Manila. The sensational flight, however, coincided with reports in the London News-Chronicle that a triple alliance is only awaiting signature.

The main provisions of the pact were described as following :—

1. If one of the three nations is menaced by war by a third Power, its allies are to provide political, diplomatic and economic assistance.
2. If one of the three nations is attacked, all are to consult immediately on the measures of assistance to be granted by the other two allies.
3. If all three Powers are at war, they pledge to sign no separate peace or armistice but to act collectively.
4. The duration of the alliance is set at 10 years, with additional five years if the agreement is not denounced before the expiration of the decade.

While Herr von Ribbentrop was reported to be ready to sign the accord immediately, Count Ciano was said to be anxious to postpone the signature until the successful conclusion of the current Anglo-Italian negotiations on the problems of the Mediterranean and Spain.

Informed quarters regard such an alliance as likely, pointing out that every one of the three aggressor nations would have nothing to lose and everything to gain from the accord.

To Italy and Japan, the alliance would give assurance of utter impunity in the gentle task of twisting the British lion's tail, and, incidentally, of exerting great pressure on France, which is already seriously alarmed by the close proximity of the Japanese forces to her Indo-China.

To Germany and Japan, the pact will materially aid in intimidating Britain and Russia. If the Japanese generals continue to pursue a policy openly detrimental to British and Soviet rights and interests in the Orient, Germany can without hesitation demand important concessions from London in the colonial issue.

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But in allying themselves with Japan, the two Fascist Powers will be guilty of a shameful betrayal of China, with which they were only a year ago on the most intimate terms.

When the war broke out 17 months ago, Germany was China's most trusted friend. The Reich stood third in China's trade list. German military advisers ruled supreme in the counsels of war, while German doctors and engineers actively assisted Gen. Chiang Kai-shek's work of national reconstruction.

In the first six months, the German military advisers, headed by Gen. Alexander von Falkenhausen, a brilliant strategist and administrator, played an important role in organizing and directing Chinese resistance. Chinese tactics in the sanguinary battle of Shanghai, in which the Japanese casualties exceeded 80,000 men, (20,000 killed) followed the Orthodox German pattern. In the ruins of Chapei, this writer saw unscathed Chinese pill-boxes duplicating German war-time fortifications in France.

The famous battle of Taierchwang, it is said, was fought according to strategy developed by Gen. Chiang Kai-shek's German military "brain trust." In this engagement, which lasted more than a week, two Japanese divisions were almost entirely wiped out.

While German advisers, most of whom were non-Nazis, were directing the Chinese armies, the Reich's munitions makers were supplying this country's millions of soldiers with machine-guns, hand-grenades, anti-aircraft batteries and motor lorries. While paying lip

service to her friendship with Japan, Germany stood first in the list of nations supplying China with war materials.

Repeated Japanese protests remained without avail and many a Nipponese journal bitterly denounced the Reich for her insincerity in "supplying bullets which kill and maim our sons and fathers."

German reluctance to part ways with the Chinese Government was probably not to a small measure caused by the flourishing Germany trade with China. In 1936, next to the United States, the Reich was the largest supplier of goods to the Chinese, standing ahead of Japan proper.

In percentages, German imports from and exports to China stood in 1936 at 16.67 and 6.16 per cent respectively. The total value of the Sino-German trade in that year was slightly in excess of U.S.$50,000,000.

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The *volte face* in German policy came in February. All the German advisers were ordered, reportedly on pain of political excommunication, to return home. Dr. Oscar Trautmann, a friend of China, was recalled to Berlin and no successor has yet been selected. The flow of German munitions to China was greatly decreased. And to cap it off, Herr Hitler on Feb. 20 announced his intention to recognize Japan's puppet empire on the mainland.

The relations between the two countries have been greatly exacerbated in the succeeding months, the friction culminating in the failure of Herr Hitler to receive the newly appointed Chinese Ambassador on the scheduled day. The presentation of credentials was postponed from week to week, assertedly because Herr Hitler could not allow references to his ally's aggression in China to be included in the document. The envoy was finally received on Dec. 17.

That the Chinese had not taken kindly to this change of heart can be gleaned from this typical Chinese editorial comment:—

"China has all along manifested her desire to maintain close relationship with Germany, but the present unfriendly attitude of Hitler may bring about a change in the diplomatic relations between these two countires. . . . .

"At the present, China has definitely decided how to deal with her friends and foes. Under the pretext of anti-Communism, Germany is pursuing subversive acts which are detrimental to China's cause. But it must not be overlooked that China is in a position to retaliate. It is obvious that Germany is largely depending on her trade for the maintenance of her influence in the Far East and that China may be compelled to take steps to curtail German trade."

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If Germany is widening the gap between herself and China with discretion, no such restraint is exhibited by Rome. Italy's trade with this country has never been large. Occupied with Mediterranean problems, Mussolini has largely ignored the international scramble for the rich Chinese market.

The only important Italian effort was the dispatch of an air mission to China to assist Gen. Chiang Kai-shek in the creation of an air force. Backed by generous credits for the purchase of planes, the mission soon displaced the Americans from their favored position in the field of military aviation. An Italian air school was established in Nanchang and Gen. Chiang was presented by Il Duce with a beautiful Savoia-Marchetti.

It is possible that if the mission had remained in China, most of this country's equipment would have come from Italy. The Ethiopian adventure, however, intervened and the Italian fliers were recalled home for active service.

Early realizing the importance of Japan's aggression as a factor distracting Britain's attention, Mussolini openly began to flirt with Tokyo. Political and economic missions were sent to Japan to exude goodwill and to negotiate a trade agreement.

Tokyo and Rome mutually recognized the seizure of Ethiopia and Manchuria as great crusades to uphold civilization. Mussolini delivered several weighty orations on Japan's mission to save the world from Communism. The Italian ambassador was recalled from China. His successor has not yet presented his credentials to the Chinese National Government, although he has already met the leaders of Japanese-sponsored administrations.

The Italian line of reasoning is very clear. Mussolini is banking on Japan's victory, which, he knows, will jeopardise Britain's interests in the Pacific and compel London to be more tractable in Europe. While there is probably little thought of trade in Mussolini's mind, he will undoubtedly take full advantage of the preferred position in the China market offered to Rome and Berlin by the wily Japanese.

Intrinsically, the Japan-Germany-Italy axis is un-Oriental. It is rather a bridge linking Europe with Asia. Each of its three so-called "have-not" members is using the accord to further its own aggressive ends by black-mailing its own particular foe among the "haves."

The axis is pointed at Russia and Britain, but it is China, however, on whose tortured body the three apostles of aggression are demonstrating their capacity for mischief.

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The German *Transocean* news service reported in a dispatch from Tokyo on Dec. 5 that while Japan was not obligated to render active assistance to Italian plans, a spokesman of the Tokyo Foreign Office announced that Japanese sympathy "was on the Italian side in her demand for Tunisia.

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The Japanese Government on Dec. 17 granted the decoration Order of the Sacred Treasure, Third Class, to Col. H. Enrico Andreini, who commanded the Italian Savoy Grenadier regiment stationed on the border of the International Settlement during the Sino-Japanese hostilities. The *Domei* report stated that the award was made in recognition of Col. Andreini's services in promoting Italian-Japanese relations by protecting Japanese property in Shanghai. Col. Andreini did not return to Italy with his regiment when it sailed from Shanghai recently, but instead went to Japan for a conference with high officials of the Ministry of War and General Staff. When the Italian regiment arrived in Shanghai, soon after the outbreak of hostilities in 1937, it immediately took up a position in the section of the Settlement where the large Japanese cotton mills were located. Previously this area had been guarded by the American Marines.

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Kobe, Dec. 19—(*Domei*) Commander L. Neyrone, Italian Consul-General at Shanghai, arrived here aboard the N.Y.K. liner Taiyo Maru. Commander Neyrone said he was going to Tokyo on important official business.

Hankow, Dec. 17—*Domei*—Signor Giuseppe Brigidi, Italian Consul here, departed today on a Japanese military transport for Shanghai enroute for Japan for a 'rest-cure in the Hakone Mountains. He has been seriously ill and is accompanied by Signora Brigidi and their daughter.

Shanghai, Dec. 12—*Domei*—Thirteen Japanese journalists members of the Japanese Press Goodwill Mission to Italy and Germany, arrived here on the last leg of their homeward journey . . . . On the same boat were 23 members of the Manchukuo Goodwill Mission, also to Italy and Germany, on their way home.

Tokyo, Dec. 21—*Domei*—Prospective fields of economic activities for Germany and Italy in China were discussed in conversations between the ambassadors of the two countries by Hachiro Arita, Foreign Minister, it was disclosed tonight . . . . Major-Gen. Eugen Ott, German Ambassador, called on Mr. Arita at the Foreign Office.

China Gets Loans : Japan Gets a Shock!

Retaliatory measures against third powers giving assistance to the regime of Gen. Chiang Kai-shek are to constitute one of the items for discussion at the third conference of the Joint Commission of the Peking Provisional Government and the Nanking Reformed Government called for Dec. 23, according to a Domei message from Tokyo.

Shanghai as Nippon Hostage

An indication of the trend of Japanese official thought was given in Tokyo Dec. 17 by Mr. Chuzo Mitsuchi, veteran Japanese statesman, in discussing the situation with regard to China, whence he had just returned from a semi-official tour. "If Great Britain, the United States or France should retaliate with economic measures" against Japan, he told *Reuter*, "Japan has only to strike at Shanghai, which to those powers is a precious child. In this sense, Japan has a very powerful hostage to fall back on in time of need." The exponent of this policy has at various times held office in the Japanese government as Chief Secretary of the Home Ministry, and Minister of Finance, Communications and Railways.

EXTENSION of financial aid to China by the United States and Great Britain, announced from Washington and London on Dec. 15 and given publicity in Shanghai two days later, has produced the anticipated reactions in both China and Japan. While the Chinese government and the Chinese and foreign press in this country were frankly jubilant, the Japanese government and press could scarcely conceal their perturbation, especially since the new loans are widely regarded as a foretaste of still more positive action by the powers whose rights and interests Japan persists in violating and denying in China.

The United States loan to China, amounting to U.S.$25,000,000, was authorized by the Reconstruction Finance Corporation following protracted negotiations in Washington between the Chinese Financial Mission headed by K. P. Chen, and officials of the U. S. Government. It will take the form of credits to be extended to the Universal Trading Corporation, a Chinese government company organized in the United States, and is guaranteed by the Bank of China. The credits, it was announced, are to mature over a period of five years. In a press interview in Washington, K. P. Chen described the credits as "purely commercial," and said none of the funds would be utilized for purely military purchases, although certain supplies such as motor trucks and large supplies of gasoline and foodstuffs were to be bought. The trucks would be used on China's new highways for the establishment of new trade routes.

Britain's aid to China takes the form of an agreement for a £10,000,000 loan to the Chinese government for the construction of a 500-kilometer railroad between Hsiangkwei and the Burmese border, according to London sources. The railway project will be financed exclusively by British interests with the assistance of the Export Credits Department. A sum of £6,000,000 will be applied to the actual construction of the road, while the remaining £4,000,000 will be devoted to the purchase of extra railroad equipment and motor trucks.

An official spokesman for the Chinese government at Chungking expressed satisfaction over the American loan agreement, *Kuo Min* reported, and said it would greatly facilitate the task of national reconstruction in China. The Shanghai *Wen Hui Pao* described the American and British loans as among the most important events in the history of the Far East. They marked, the paper asserted, "the beginning of closer cooperation between these two great powers in the Far East and clearly indicate that London and Washington have decided to help China financially in order to exert pressure on Japan." China, the paper continued, "has convinced the powers of the futility of continuing to maintain their compromising attitude towards the aggressor. The present joint action of the United States and Great Britain will hasten the settlement of the Far Eastern conflict and the restoration of peace and order in this part of the world."

The *Shun Pao*, influential Chinese daily, believes that France and Soviet Russia will follow the lead of Great Britain and the United States in rendering substantial aid to China, and that the loans will therefore have far-reaching international results. The paper considers, however, that "Britain's assistance to China will be limited, because Britain is afraid that if China wins the war an impetus will be given to the emancipation movement in Britain's Far Eastern colonies. Amidst contradictions and hesitations, Britain has been hoping that Japan would receive a considerable setback and that the war will be concluded at an early date, so that British interests in China will be safeguarded. This is why the British government has been entertaining the hope of mediating in the Sino-Japanese dispute." Now, however, Britain has been forced by events to adopt a policy of befriending China, the paper declares.

News of the American and British loans caused an instant reaction on the local market, Chinese government bonds in particular registering a marked improvement.

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JAPANESE comment on the loans represented a compound of mild defiance, pained reproach and affected complacency.

The attitude and view of the Japanese government was expressed Dec. 19 by Hachiro Arita, foreign minister, in replying to questions by forty foreign newspaper correspondents in Tokyo whom he had summoned in order to deliver a prepared statement in elucidation of Japan's policy for the creation of "a new order in East Asia." Speaking of the American loan to China, the minister declared that although it may have been made for the promotion of trade, it will "necessarily lead to a prolongation of hostilities and, consequently, to embarrassments and inconveniences for third power nationals.

"An American loan to China at this time," said Mr. Arita, "is, therefore, inopportune to say the least and we cannot but say that it is an ill-advised act on the part of the United States, which, thus far, has acted with understanding and discretion concerning the China affair. And if, as the American newspapers say, it is a political gesture of Washington to Japan, there would be nothing more dangerous.

"When the Japanese people are convinced that that loan to the Chiang Kai-shek regime is really intended as economic pressure by a powerful economic country, they would unite and the reaction would prove quite contrary to what America expects. The Japanese people would undoubtedly find new grounds for strengthening the proposed new order in East Asia. Personally speaking, I am not inclined to regard the reported loan as a political gesture."

When Mr. Arita was questioned concerning the British loan, he said the same remarks applied to it as to the American loan.

In his prepared statement of Japanese policy with regard to China, Mr. Arita said it would be necessary for Japan to impose certain restrictions on the economic activities of third powers in this country, due to the requirements of national defense and economic security, but there still would remain "vast fields of commercial and economic activity open to the peoples of other powers." Formation of an economic bloc between Japan, Manchukuo and China "would by no means entail any diminution in trade between that group and other countries," he asserted. Japan, he continued, was not planning to exclude

European and American economic activities from East Asia, but it was "imperative" that no political privileges should be attached to the activities of third powers in this region.

The Tokyo *Asahi* saw significance in the fact that Britain and the United States had acted simultaneously in extending aid to China, believing that this forecasted a possible "joint front" of the two countries against Japan, taking the form of financial assistance to China and economic reprisals against Japan. But, the paper declared, "Japan's fundamental policy regarding the new situation in East Asia will never be affected by the reported stiffening of the attitude of Britain and the United States."

The *Miyako Shimbun* termed the financial assistance to China "self-contradictory," in that it tended to turn China into "another Spain," thereby disturbing world peace instead of contributing to that international appeasement which statesmen in London and Washington profess to desire. The paper said that the British and American moves were designed to force a favorable solution of the issues involving the interests of those powers in China, particularly the issue of free navigation on the Yangtsze.

Continuing, the paper contended there was "no fear" that the financial aid to the Chiang Kai-shek regime would be continued, since this regime is now "merely a regional government." Nevertheless, the loans were expected to "enliven" the government in Chungking.

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According to the *Yomiuri Shimbun*, Tokyo daily, the action of the United States aroused "new concern" in that it represented a departure from Washington's past policy of avoiding common action with Great Britain. "We have nothing to say," the paper added, "about British aid to the regime of Gen. Chiang Kai-shek, since such action is in keeping with the established British policy."

Doubts that the United States were ready to pick chestnuts out of the fire for Great Britain were expressed on Dec. 17 by the *Asahi Shimbun*, Tokyo daily, in commenting upon British and American financial assistance to China. The American credit and the London loan, the journal contended, would only serve the "ill-conceived purpose" of stimulating Gen. Chiang's campaign of "protracted warfare" against Japan by extending him aid "more strongly moral than material."

The *Asahi* endorsed the view of American political and financial commentators that the proposed U.S.$25,000,000 credit represented a political loan designed to serve as an American demonstration against Japan in connection with the question of the principle of the Open Door and Equal Opportunity in China. The strongest foreign influence behind the Chungking regime, in the opinion of the *Asahi*, is not the United States but Britain which is about to loan £10,000,000 to Gen. Chiang's administration for the construction of a railway between Burma and Yunnan designed to replace the Canton-Hankow railway as an arms supply artery.

Returning to the subject two days later, the paper declared that international relations in East Asia will assume new gravity as Japanese diplomacy seeks to overcome the reaction to its policy aimed at creating a new order in this part of the world. Japan's basic policy, the paper said, was unlikely to be affected by measures smacking of financial sanctions against Japan such as the decision of Britain and America to extend economic assistance to the regime of Gen. Chiang Kai-shek. Such aid, the *Asahi* said, may "momentarily strengthen the economic foundation of Gen. Chiang's Government," which would react to it like a fading candle that burns more brightly just as it is about to die out." The American and British loans, the paper declared, would have no permanent results. They were, however, construed as a threat of further economic sanctions against Japan.

"Insofar as the present hostilities are concerned, it has been British policy to compel America to pick England's chestnuts out of the fire, "the paper commented. "Now, we presume, Britain is trying to tell the Chinese that this financial assistance was the result of a united Anglo-American front since both the credit and loan schemes were published at the same time. In so doing, Britain is simply attempting to curb Japan."

These moves, the daily declared, were "in the last analysis," retaliatory measures against Japan in connection with the issue of the "Open Door" to the China market rather than a political maneuver aimed at assisting Gen. Chiang's regime.

In an editorial on Dec. 14, anticipating the announcement of the British and American loans, the *Nichi-Nichi Shimbun* discussed Anglo-American views of Japanese policies and concluded that "the general trend of British and American opinion cannot be considered favorable for Japan. Moreover, the tendency of Britian and the United States to act in unison has become more and more clear . . . . The close link between the United States and Britain in London, Washington and Tokyo has grown so formidable that Japan can no longer cut it by diplomatic means. Consequently it is the intention of the Imperial Government to push its diplomatic policy against the British-American combination, eliminating such ill-advised views as taking a strong attitude towards Britain and a conciliatory one towards the United States, as has been advocated in some quarters."

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Masayuki Tani, until last week Japanese "minister-at-large" in Shanghai, told press representatives in a farewell interview here on Dec. 15, that growing cognizance by third powers of Japan's position in East Asia, "whether they like it or not," was becoming apparent. Three days later, at Fukuoka, while en route to Tokyo whither he had been recalled, Mr. Tani affected to see little significance in the new loans, which, he declared, would have little bearing upon the final outcome of the Sino-Japanese hostilities.

"In the face of the strong determination of Japan," he told *Domei*, "the various maneuvers of the powers in China will gradually disappear. Whether or not such advances are successful, I do not believe that they will affect Japan in the long run. What is above all necessary for Japan at present," he said, "is to make the world realize the concerted and wholly unanimous efforts of the Japanese people in the present emergency."

In Nanking, on Dec. 17, the Japanese gathered together 486 Chinese puppets claiming to represent the six central provinces of China, and got them to cable to the principal foreign capitals a demand for the cessation of financial and other assistance to the Chinese government. If the powers acted accordingly, the puppets declared according to *Domei*, peace would arrive sooner and the hardships of the Chinese people would be alleviated.

The *North-China Daily News*, mouthpiece of British interests in China, declared: "The significance to be found in this latest development, that the attitude of Great Britain and the United States is stiffening, is most heartily to be welcomed, for while there is every sympathy with the perplexities which confront the two Governments, there has been in the Far East a growing anxiety lest there should be a general failure to realize the growing seriousness of the situation out here."

The American-owned *Shanghai Evening Post & Mercury* found "cause for rejoicing that the full facts of the China situation are at last being realized abroad and that hwe have probably passed an important turning point. The credits to China, said the paper, "mean more than mere help for China or sales by the United States and Great Britain, although these things have their obvious importance. But they signify convincingly that further factors are in the minds of informed leaders in both countries.

"First, China is not defeated.

"Second, China is determined to fight on.

"Third, a virtual new nation is being constructed in China's great and rich hinterland.

"Fourth, Japanese 'victory' propaganda has failed and Japanese discriminations against third party trade in occupied areas have intensified conviction that the only way to develop China is to deal with the Chinese."

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Whether the British and American loans to China will be followed by more positive action against Japan, perhaps in the form of economic sanctions, remains to be seen. A *Transocean* message from London Dec. 16 declared that the Japanese plan for the creation of a "new order in East Asia" is engaging the attention of the British government to an increasing degree. Political circles in the British capital, the message added, believe that the British government will endeavor to obtain the cooperation of the United States and possibly of France in the adoption of a more determined attitude towards any Japanese schemes likely to affect adversely the interests of these powers in China.

The Washington correspondent of the London *Times* reported the following day, according to *Reuter*, that signs were multiplying of a hardening of United States foreign policy. The U.S. loan to China, he said, was regarded as very significant. Continuing, he said: "It must be remembered that evidence of the nature of Japan's operations in China and Manchukuo has accumulated in such a way that the finding against Japan of injury to American trade by discrimination, with all its retaliatory implications, is inescapable.

In face of this fact, the intervention of the American Government, as represented by the decision to extend credit, is of major importance, he declares.

Full account is taken in Washington of the "moral support" which this offers to the much harrassed Chinese, the correspondent continues, despite the insistence of the State Department that the transaction represents no more than the extension of credit by another Government agency to an American business for the normal conduct of its affairs.

Reports from London tell of the growing activity of the organizations which are leading the boycott of Japanese goods, while from San Francisco came a dispatch this week describing the picketing of vessels loading scrap iron for Japan. Chinese manned the picket lines. American longshoremen showed their solidarity by refusing to pass the cordon of demonstrators.

Asia Development Board Inaugurated in Tokyo

AFTER almost a year's preparation, in the course of which two Foreign Ministers (Hirota and Ugaki) were forced out of office while contending for control with the War Office, the much-heralded Asia Development Board, Japan's new central organ to deal with China affairs, was finally inaugurated in Tokyo on Dec. 16.

Nominally headed by Premier Prince Konoye, the organ is actually under the domination of the militarist elements, as represented by Lieut.-Gen. Heisuke Yanagawa and Maj.-Gen. Teiichi Suzuki, who hold the important posts of secretary-general and director of Political Bureau, respectively. S. Hidaka, formerly Japanese Consul-General at Shanghai, was made Director of the Economic Bureau and T. Miyamoto director of the Technical Bureau.

My Hat Please!

Times-Union, Rochester, N.Y.

Besides the president, the board consists of four vice-presidents, who are all cabinet ministers, namely, the War Minister, Lieut.-Gen. S. Itagaki; the Navy Minister, Admiral M. Yonai; the Foreign Minister, H. Arita and the Finance Minister, S. Ikeda.

Lieut.-Gen. Yanagawa, it may be recalled, was formerly Commander of the Japanese Landing Force at Hangchow Bay in November 1937. In addition to his post as secretary-general of the board, he will serve concurrently as director of the Cultural Affairs Bureau.

Functions of Board

According to the regulations governing its functions, the board will be in charge of the following matters during the China hostilities:

1. Political, economic and cultural affairs which require action in China in connection with the hostilities, with the exception of diplomatic matters;
2. Formulation of policies relating to the above mentioned affairs;
3. Supervision of business corporations chartered by special legislation for conducting enterprises in China and also control of individuals doing business in China;
4. Unification and administration of China affairs handled by various governmental departments.

Under the board, a liaison committee will be established to maintain contact with various government departments. A liaison department will also be created to function as contact agency between the board and the Japanese military authorities in China.

Premier Konoye, in announcing the inauguration of the board, declared that in order to attain Japan's objective in China it was necessary to overthrow the anti-Japanese regime in China and to induce the Chinese people to co-operate with Japan. He pointed out, however, the "extremely difficult and complicated nature" of Japan's task, which would demand all her resources to accomplish. Finally, he expressed the hope that establishment of the new board would help Japan to attain her objective of building up a "new order" in East Asia under Japanese domination.

Following the establishment of the board, the conferences of five cabinet ministers, better known as the "Inner Cabinet," will be abolished and replaced by parleys of officials of the board. These parleys will be participated in only by the president, vice-presidents and the secretary-general. Diplomatic affairs, which are outside the jurisdiction of the board, will as heretofore be handled by the cabinet ministers' conference.

Press Comment

Commenting on the establishment of the Board, the *Japan Advertiser* said that the event marked the beginning of a new period, during which military operations in China "probably will taper off and the work of reconstruction get under way, but a new order obviously cannot be built overnight."

The Tokyo *Asahi Shimbun* reported that the board had decided to open a liaison department at Peiping in the middle of January. This agency will be a purely local office for the coordination of Japan's policies there, replacing the "Special Service Department" of the Japanese Army. Maj.-Gen. S. Kita is to be the first director of the department, which will be divided into three sections: general affairs (political), economic, and cultural. A communications section may be added later.

Conversion of Yunnan province into a buffer state for Great Britain and France against the incursions of Japanese influence into Burma and French Indo-China was viewed as part of the present British Re-armament program by the Singapore correspondent of the Tokyo *Nichi-Nichi*. The correspondent reported the prevalence of an "extraordinary atmosphere" at Kunming, Yunnan capital, where Gen. Chiang Kai-shek is creating a strong defence force, including the organization of a new Chinese Air Force.

Wu Pei-fu Balks

Advance plans of Japan's new political intrigues in China were revealed by the Tokyo *Nichi-Nichi* last Sunday, when it predicted that a unified central government of China under a federal system would be established in March or April next year. The journal claimed that Marshal Wu Pei-fu, who had rejected Gen. Doihara's overtures to head a new puppet regime, would shortly circulate a statement throughout the country, suggesting the convocation of a Sino-Japanese "racial conference" and urging the Chinese people to support the movement to "save their homeland." According to the paper, Marshal Wu would shortly undertake a tour of Japanese-occupied provinces "in order to make propaganda" for Sino-Japanese co-operation.

Following the *Nichi-Nichi's* prediction, Japanese reports from Peiping indicate that the Japanese authorities there are apparently continuing their efforts to set up a new government. According to Japanese plans as revealed by these reports, Marshal Wu is still being considered as their most favored choice for the post of puppet president. Chen Chung-fu, Doihara's chief henchman and runner, is slated to be premier, while Wang Keh-min, present head of the Peiping regime, and Wang I-tang, notorious Anfu politician, will be respectively presidents of the Upper and Lower Houses. The membership of the Cabinet is reported to be as follows: Wu Pei-fu, Wang Keh-min, Kao Ling-wei, Chen Chung-fu, Chi Chien-yuan, Tang Hsiang-min, and Miao Ping. The "Reformed Government" at Nanking, however, proposed the following persons: Wen Chung-yao, Liang Hung-chih, Chen Chun, Chen Lu, Ho Feng-lin, Wang Tse-hui, Kiang Hung-chieh, and Chen Chin-tao.

Chinese reports from the Old Capital stated that despite the repeated persuasions and intimidations of Doihara and other Japanese politicians, Marshal Wu was firmly determined not to have anything to do with any Japanese sponsored regime.

It's Japan's Move!

Knox in the Memphis, Tennessee, Commercial Appeal

The veteran military leader was reported to have bought a coffin and told his Japanese visitors that if they should force him to do what he hated to do, he would have no alternative but to jump into it. Contrary to previous reports, Marshal Wu has not moved into the Legation Quarter, but only refused to receive callers at his residence. Marshal Wu's attitude was said to have aroused the ire of Chen Chung-fu, who, it was reported, suggested to Doihara and Kita to drive Marshal Wu out of Peiping.

Nanking Mayor Attacked

According to a report in the *Hwa Mei Wan Pao*, Jen Ynan-tao and Kao Kuan-wu, puppet Mayor of Nanking, were shot at by three Chinese gunmen last week when passing through Hsiakwan in a motor-car. Both escaped unhurt. More 70 persons in Hsiakwan were arrested by the Japanese gendarmes as suspects, among whom three young Chinese were found to carry with them two hand grenades and two pistols. Nanking is now said to be almost completely surrounded by units of the New 4th Army.

A Canton Peace Maintenance Commission was formed on Dec. 20 at Canton by the Japanese military authorities. The new body susperseded the Provisional Committee organised on Nov. 27. Peng Tung-yuan, who claimed to be an admiral and formerly served under the northern warlord Sun Chuan-fang, was made president of the commission, with Lu Chun-jung as vice-president. A native of Ngchun-yun in Kwangtung, Peng, according to a Japanese report, was a graduate of the Whampoa Naval Academy. He held successively the posts of Commander of the Kiangyin and Woosung Forts and was managing director of the Kiaochow-Tsinan Railway in 1932. He is now 56 years old.

Since Japanese occupation of the city, Canton has become a center of gambling and opium dens. Many such establishments are run under the supervision of the Japanese.

Chiang Optimistic

In his latest report submitted to the Government, General Chiang Kai-shek declared that the prospects of the resistance were daily improving, since on all fronts the Chinese troops had withdrawn into mountainous regions where they were in a better position to hold back the Japanese. Gen. Chiang added that the Japanese were also encountering constantly-increasing difficulties in regions occupied by them and that their armies in China were insufficiently strong to make any further progress.

Gen. Chiang pointed out that it was erroneous to divide the past 16 months of the hostilities into four periods, for the first stage of China's campaign had just ended and the second just begun. "We must rely solely on ourselves for overcoming the national emergency," Gen. Chiang emphasized. "If we persist in our efforts, we shall certainly win the ultimate victory."

Predicting that Japan would meet the same fate in China as Napoleon in Russia a century ago, Gen. Pai Chung-hsi said that since the fall of Canton and Wuhan cities, the military situation had become more favorable for China than for Japan. Gen. Pai is the well-known Kwangsi military commander and Chief-of-Staff to Gen. Chiang Kai-shek. Gen. Pai said that in the early stages of the campaign of resistance, the Chinese used the tactics of positional warfare. Henceforth, emphasis would be placed on resistance on all fronts and in each and every possible direction. The deeper the Japanese penetrate into the interior, the greater would be their difficulties in extricating themselves; and the result would be only a repetition of Napoleon's collapse in Russia.

Political Departments

Emphasizing that the military and political aspects of the hostilities between China and Japan were of equal importance, General Chen Chen, Minister of Political Affairs at the headquarters of General Chiang Kai-shek, and concurrently Commander-in-Chief of the Chinese forces on the south bank of the Yangtsze River, announced the formation of political departments in the various Chinese army units at the front. Members of the Central Executive Committee of the Kuomintang, he stated, would act as heads of the departments.

Continuing her energetic efforts to organize Chinese women throughout the country to participate in war work, Madame Chiang Kai-shek recently made flying trips to various parts of the country. In an address at Chungking, Madame Chiang reported that after the fall of Hankow, she had visited Changsha, Nanchang, Shaokwan and other cities to organize the Chinese women, making bedding and clothes for the wounded soldiers. She praised highly the services rendered by Chinese women and girls and their bravery under dangerous conditions.

"Next year this time Japan will approach us and sue for peace. And we won't agree to an armistice unless it is completely in accordance with our ideals and our conditions." This was the optimistic prediction made by Sun Fo, President of the Legislative Yuan, in a press interview at Chungking. He said that he based his views on the present exhuastion suffered by the Japanese military personnel as well as the exhaustion of her material resources. According to Mr. Sun, Japan has lost 500,000 men killed in action on various China fronts since the war began, and several hundred thousand Japanese soldiers have been wounded.

Arita Tells World Japan Will Create Japan-China-Manchukuo Bloc

Following is the complete text of the statement made to foreign newspaper correspondents in Tokyo on Dec. 19 by Hachiro Arita, Japanese foreign minister, in elucidation of Japan's policy aiming at the creation of "a new order in East Asia." This text was cabled to Shanghai by the Domei news agency.—*Editor.*

As has been made clear by the statement of Nov. 3 by the Japanese Government, what Japan desires is the establishment of a new order which will insure permanent stability in East Asia, or in other words, the establishment of a relationship of mutual helpfulness and coordination between Japan, Manchukuo and China in political, economic and cultural fields.

FOR "SELF-DEFENSE"

That the formation of a closely cooperative relationship between the three countries is an imperative necessity is explained by the fact that it is, in its political aspect, a measure of self-defense against the Communist menace and of safeguarding the civilization and culture of the Orient; and in its economic aspect, a measure of self-preservation in the presence of the world-wide tendency to erect high customs barriers and to employ economic measures for political ends.

It is not only of benefit to the Chinese people themselves but to the whole of East Asia to lift China from its present semi-colonial status to the position of a modern state.

Establishment of a new order, that is, of a relationship of mutual aid and coordination between Japan, Manchukuo and China, simply signifies the creation of solidarity between these three countries for the common purpose of preserving the integrity of East Asia, while enabling each nation to maintain its independence and fully develop its individuality.

INFLEXIBLE RESOLUTION

It is the firm conviction of Japan that the establishment of such a new order will be perfectly in consonance with international justice and contribute toward peace and tranquility in East Asia, and it is her inflexible resolution to carry out her policy in this regard.

Leaving for a later occasion the political and cultural phases of the proposed tripartite relationship, I wish today to offer a few remarks on its economic aspect.

The new order envisages a certain degree of economic cohesion and coordination between Japan, Manchukuo and China and the formation of a single economic unit in the presence of similar units which already exist elsewhere, and which are both powerful and self-sufficing.

Although the term "economic bloc" is frequently applied to such an arrangement, the proposed unit in East Asia is by no means to be a system of closed trade.

If by "economic bloc" is meant the exclusion of all interests other than those of the parties directly concerned, the employment of the term is wholly improper in the present case.

"REGRETTABLE IDEA"

At the moment not a few observers seem inclined to feel as though Japan, by the inauguration of a so-called Japan-Manchukuo-China economic bloc, were driving at the exclusion from East Asia of all enterprises, capital investments, trade and other economic activities on the part of foreigners.

It is quite regrettable that such an idea is now being reflected in the comments of various newspapers and magazines published in Europe and America.

Japan has long stoutly upheld before all the world the principle of equality in commercial opportunity, though as a matter of fact that principle has received scant regard elsewhere and Japanese products of good quality and moderate price have everywhere been subjected to discriminatory treatment.

Japan nevertheless still believes that the way to bring about prosperity to each and every nation is to give effect to the principle of equality in commercial opportunity, and she upholds the freedom of economic activity in all parts of the world as a matter of principle.

"NATURAL AND PROPER"

It is far from Japan's thought to aim at excluding European and American economic activities from East Asia. However, it is most natural and proper that two neighbor nations closely bound together by links of race and culture (Japan, poor in natural resources and without large domestic markets, and China, still economically weak) should work together in order to insure their independence as regards vital supplies as well as their markets in time of emergency.

Within those limits it is to be admitted that the economic activities of countries which lie outside the limits of East Asia would have to be regulated.

In other words it is imperative that the economic activities of other powers should be subject to certain restrictions dictated by requirements of the national defense and economic security of the countries grouped under the new order, and that no political privileges should be attached to those activities. The necessity of such restrictions is recognized by all modern states, including, I am sure, the British Empire and the United States.

SOMETHING LEFT

But even if these restrictions are put in force there will remain vast fields of commercial and economic activity open to the peoples of other Powers.

Formation and existence of an economic partnership of nations such as is contemplated for Japan, Manchukuo and China would by no means entail any diminution of trade between that group and other countries.

Dr. Lin Yutang, noted Chinese writer and author of "My Country and My People," in an article published in the *Cosmic Wind*, Chinese magazine in Hongkong, predicted that in the winter of 1938 Japan's economic structures would collapse. This, coupled with war weariness among her people, would lead her to a reorganization of the Japanese Cabinet. Then, Japan would indirectly sue for peace by requesting a third power or powers to mediate between her and China. Knowing her difficulties, Great Britain, the United States and others would bring all economic and diplomatic pressure on Japan until she surrendered. Finally, in the spring or summer of 1939, Dr. Lin said, Japan would have no other alternative but to stop the war and withdraw her troops from China empty-handed. Dr. Lin supported his arguments by citing figures of the vast expenditures which Japan had made since the war started. When Japan's economic structure begins to crack up, Dr. Lin believes, social unrest will arise and lead inevitably to revolution.

Independent Ukrainian State Being Plotted in German Capital

According to *Reuter*, the Berlin correspondent of the London *Sunday Times* reported Dec. 18 that a definite movement has been launched in the German capital for the setting up of an independent Ukrainian state, to include Ruthenia as well as extensive regions of Poland, Russia and part of Rumania.

A "Confidential Ukrainian Bureau" has been opened to Berlin, the correspondent

Push Toward the East

With Austria and the mountains of Czechoslovakia in her grip, Germany dominates the natural gateways to Central and Southeastern Europe. Arrows on the map indicate the Nazi version of the "Drang Nach Osten."

asserts, by Dr. Mikola Suschko, who is believed to be an ex-officer of the Ukrainian Army.

All "stateless" Ukrainians have been asked to register at the Bureau.

At the same time, the Warsaw correspondent of The *Sunday Times* declares that political circles are astonished at the haste of the Nazi authorities in organizing the 40,000 Ukrainians resident in Germany.

Dr. Rosenberg, Herr Hitler's chief lieutenant for Ukrainian Affairs, has created a special Ukrainian department in Berlin, to co-operate with the "Confidential Ukrainian Bureau."

It is stated in Warsaw that all young Ukrainians in Germany will undergo military training in special schools, one of which, for officers, is said to have been opened in Danzig.

The Polish Government has sharply protested to Prague against anti-Polish Ukrainian propaganda in Czechoslovakia.

Grand Duke's Denial

A firm denial, in connection with his forthcoming visit to Germany, that Herr Hitler planned persuading him to become the "Fuehrer of the Ukraine," was issued in Paris Dec. 17 by Grand Duke Vladimir, 21-year-old incumbent of the non-existent throne of Russia. The grand duke said he had never been asked, either directly or indirectly, to lend his name to any political act aimed at the dismemberment of the former Russian Empire and that he did not approve of any such plans.

His denial came after a statement in *L'Oeuvre* by Mme. Genevieve Tabouis, who wrote that a meeting was to take place between Herr Hitler and the Grand Duke and that "in Berlin, it is said, Herr Hitler plans to persuade the Grand Duke to become the Fuehrer of the Ukraine." She added that the number of White Russians in Berlin had increased lately and had formed a kind of "Hitlerian Brigade" under General Bushupsky. The Grand Duke Vladimir became "Czar of all the Russians" following the recent death of the aged Grand Duke Cyril.

Pro-Hitlerian and Pro-Japanese tendencies entertained by certain White Russian refugees were severely attacked by General Anton Denikin, former generalissimo of the White Russian armies in Southern Russia, during the course of a speech made before the Paris White Russian community Dec. 17.

"Under pretense of opposing bolshevism, the leaders of new Germany are merely aiming at the annexation of foreign territories. The same goes for Japan, who while pretending to fight the Komintern, is only seeking a pretext for further conquests," the general declared.

72 Are Injured in Rangoon Riot

Troops of the 1st Battalion, Gloucestershire Regiment, were called out Dec. 21 to patrol Rangoon, capital of Burma, following a clash the previous day between the police and students who were demonstrating in a "civil disobedience campaign" under the slogan "Burma for the Burmese."

According to *Reuter*, 72 persons, including a number of policemen and a European sergeant, were injured when the minions of the law proceeded to break up the demonstration. Six members of the Dobama ("Burma for the Burmese") Party were placed under arrest and the Burmese *Daily Sun* was asked to furnish 300 rupees as security. In the last issue of the *Review* a Rangoon correspondent named the *Daily Sun* as one of several newspapers in the Burma capital which, under Japanese influence, has been protesting the transportation of arms to China through Burma.

The Governor of Burma has decided to return to Rangoon from Mandalay in view of the situation which has now arisen.

More Victims of Nazi Culture Arrive

A total of 524 German Jewish refugees, men, women and children, most of them destitute, arrived in Shanghai this week aboard the Italian liner *Conte Biancamano*, thus bringing the number who have taken refuge here since Hitler's latest pogrom began, to approximately 1,200. Some 700 to 800 more are expected early in the New Year on the *Conte Rosso*. Of this week's arrivals, 350 are being housed on the ground floor of the Embankment Building, cots and bedding having been supplied by the Shanghai Volunteer Corps. A Chinese property owner accomodated many others in a row of vacant houses in the Wayside district after evicting some White Russian fascists residing in five of the properties. The S.M.C. made available a dilapidated and unoccupied Chinese primary school building on Ward Road, which it holds under lease, but this building, it was reported, requires renovation before it will become habitable.

Lull Seen on China's Main Battle Fronts

Little change was discernible in the military situation in China this week. Chinese forces operating along the northern section of the Canton-Hankow Railway, according to a *Kuo Min* dispatch from Changteh, were closing in on Yochow, in Hunan province, from which point Japanese forces have been advancing south in an effort to capture Changsha, the provincial capital. Chinese vanguards were said to be only a few miles from Yochow, thus obliging the Japanese to take up defensive positions in and about the city.

The expected Japanese invasion of Kwangsi has not yet commenced, although Japanese troop concentrations near Samshui

South China Pie Too!

Seibel in the Rochester Times-Dispatch

were believed to indicate the imminence of a drive. Chinese forces advancing along the southern section of the Canton-Hankow Railway were reported to have reached Sunkai, seven miles north of Canton, while another contingent, operating in the East River region, arrived at a point near Tsangshing, north of Sheklung, with the support of mobile units. This force, according to *Kuo Min*, was consolidating its positions for a determined attack on the Japanese garrison at Tsangshing. It was also claimed that a Chinese aviation squadron made a successful raid on Japanese positions in the Tsangshing-Sheklung sector on Dec. 17, causing heavy casualties to the invaders.

Comparative quiet reigned on all other fronts, although it was believed that the advent of cold weather might herald major military operations on the Yellow River front, where Japanese troops are said to be waiting for the river to freeze over in order to launch an invasion of the Northwest.

A *Havas* message from Paris on Dec. 17 attributed to French diplomatic and financial circles a belief that Japan's pause in her drive into China is due to financial and economic difficulties, and that the halt was decided upon in full accord with Berlin. Both Japan and Germany were seen as attempting to improve their economic positions in preparation for military action against the U.S.S.R. Dr. Hjalmar Schacht's visit to London to promote an Anglo-German trade agreement, and the lull in Japanese military operations on the Asiatic mainland, were viewed as "more than a coincidence," Havas reported, adding that fear was entertained that even a temporary stabilization of the Far Eastern fronts would give Japan an opportunity to prepare, jointly with Germany, for a broad-scale action against the Soviet Union.

American Baseball in Japan Slowly Becoming Sport of the Past

(Editor's Note: For many years Japan's social and industrial life as well as her "daily manners and customs" have been undergoing a process of Americanization. Since, however, Japan and Germany have united their "culture," American influences apparently are being relegated to the background. Germans do not play baseball. Therefore, Japan, apparently, is going to give up the sport. But there are other reasons, too, why the popularity of the sport is on the wane. The following article tells about it.)

BY DAISUKE MIYAKE*

BASEBALL in Japan, in my opinion, is certainly on the wane. If left to follow its own course, this sport of American origin may before long be in a condition of next to ruin. That the China war is to some extent responsible for the somewhat unfavorable situation faced by this sport since last year is a statement of truth; but this conflict be the only cause of its degeneration, it should be logically concluded that the end of that war will restore it to its earlier heyday.

The China war from the outset has considerably affected the sport, either in the number of players or in the replenishment of requisites. As a matter of fact, many players have been enrolled in the Army or called to the colors, over 20 per cent of the professional players having already been in the military services by now, while the shortage of baseball material has been badly felt owing to the control on the supply of rubber, cork, wool, cotton, and leather.

In saying that baseball is lately on the wane in this country, what I really mean is that its decline is due to some underlying causes other than those temporary in nature. In my opinion, the falling off of Japan's baseball, with its further development retarded, can be ascribed to its organizational weaknesses—the control, management, enforcement of self-discipline, and direction of technique, all of which are either imperfectly or poorly conducted. The logical conclusion, therefore, is that the China war has substantially nothing to contribute to or subtract from the present situation of the sport.

In Japan, students' baseball is placed under the control of competent authorities in accordance with a special control program. This is surely a system peculiar to this country, but on the ground that the control of a group of technicians or experts by an inexperienced person is a matter practically beyond him, I myself have misgivings about this control program. Again, for the same reason, I cannot support the attitude of school or college authorities to interfere too deeply with their respective baseball teams.

The right attitude that competent officials or school authorities should take is, I believe, to let the students' baseball teams have, as a principle, perfect autonomy, they themselves supervising them from behind.

Concerning students' baseball, the abolition of the champion system or that of development of champions is often discussed lately. Those who advocate the abolition seem to support themselves by the reasons that a school ground, not excluding the diamond, is for all students and by no means for a limited few, and that it is beneficial to the physical development of the student body at large, if the grounds were impartially thrown open to all. The point of this argument, however, entirely contradicts the nature of sports. As such, sports are inseparably bound up with the champion system, which is the very thing which inspires all the students engaging in sports with a competitive spirit and aspiration, thus gradually uplifting their ability and physical strength through constant training and strenuous efforts.

Evolution!

Elderman in Washington Post

Notwithstanding that only a few may attain the honor of becoming champions, the number of those who train their spirit and body while aiming at the honors will generally increase. Speaking more directly, since by virtue of the champion system students other than champions are induced to play in the field, that system is really instrumental in the generalization and popularization of sports.

Japanese Baseball

There is a loud cry of late for the initiation of a baseball characteristic of Japan. As a proposal it is of course a very good one; but at the same time it is necessary to clarify in the first place what is meant by the phrase "characteristic of Japan."

As a matter of fact, this phrase may be interpreted or construed in more than one sense; the so-called "initiation of a baseball characteristic of Japan" may be taken either for the invention of quite another system of baseball to replace that imported from the United States, or for the assimilation of the American baseball in the Japanese way, that is, a combination of all the strong points of the American baseball with those of the one existing in Japan. It is only in the second sense that I can eagerly support this proposal. In other words, what I mean is to emphasize the necessity of assimilating all the merits of the American baseball before a baseball of a Japanese brand can be set up.

Baseball is a national sport of America. Throughout its long history, American baseball has constantly made a steady development in all its phases, with a better prudence than in Japan, with the result that it has now grown into a sport well worthy of the American nation in every respect. Any such weak points as may easily be pointed in Japan have in reality been improved long before in America. Even if we recognize a weakness requiring improvement in the baseball prevailing at present in this country, further investigation generally reveals that it was already rectified in America more than several years ago, or that the fault seemingly of American origin really existed only in the game as played in Japan.

Last but not least, I want to call attention to the importance of the technical direction which alone can save the declining baseball in this country from a worst fate. Of all the sports imported from abroad, baseball was the first to come to this country. But while other branches of the imported sports have already yielded many champions who have ranked among the foremost of the world, it is a pity that not a single baseball player of world fame has been yet produced by this country.

Second-Raters

Many of the first-rate professional teams of America have so far had a number of players of world fame, belonging to various nationalities, except Japanese. The only record obtainable is of the several Japanese players who have been signed up by some second-rate teams belong to the Pacific Coast League. Believe it or not, in spite of these realities, many of the Japanese concerned with baseball advocate the inititation of a genuine Japanese baseball in the place of the American system.

As a matter of fact, a greater part of what they proudly lay claim on as being the highest technique attainable today, is a mere remnant of the antiquated baseball tactics which have been abolisned for more than ten years in America. At the same time, the methods now adopted in Japan in regard to the coaching and training of the players are almost one century behind those in vogue at present in that country across the Pacific.

I strongly warn all the people in the Japanese baseball circles to discard their short-sighted insularism and to open their eyes to the broad world surrounding them.

**This article by Miyake, ex-manager of the Keio baseball team, was translated by the November issue of Kaizo.*

British Owners Seek Return of Astor House

Negotiations are under way between Japanese and British authorities in Shanghai for restoration of the Astor House Hotel to its rightful owners, stated a recent report in the *China Evening News*. The hotel, property of the Hongkong and Shanghai Hotels, Ltd., is a center of activity for the Japanese military and their puppets. It was seized by the Japanese military after hostilities broke out in Shanghai last year, but the owners have been receiving a nominal rental of $6,000 monthly. Japanese interests are said to be negotiating for the purchase of Broadway Mansions, another British property just north of Soochow Creek.

Japanese Invaders in the Grip of Country-wide Guerilla Forces

BY C. Y. W. MENG (孟 昭 渢)

SINCE the outbreak of the Sino-Japanese "undeclared war," the writer of this article has been collecting all possible information and accounts regarding the development of the Chinese guerilla warfare, as he believes that such tactics and strategy are bound to play a great part in the final and decisive battle to come. The modern war always starts as a war of the machine, but must always end as a war of man against man. In the war of man and man, the guerilla has his day. The following accounts of guerilla warfare in various parts of China come from the most reliable sources and from people of social standing. They are quite detailed. However, for many reasons, the writer can only give them very briefly and in condensed form. He has to refrain from giving the names of the commanders or leaders of the Chinese mobile forces as well as the names of places or the centers of activities, except where this can cause no harm.

In Shantung Province: Shantung, the Holy Land of China, is one of the provinces which has fallen into the hands of the invaders. But, like other provinces under Japanese military occupation, with the exception of the major channels of communications and a few towns, a large portion of the province is still in Chinese hands. Out of 107 *hsien* of Shantung Province, at least as far as our information goes, 70 are still under Chinese control, with the Chinese administration going on as usual. Admiral Shen Hung-lieh, chairman of the Provincial Government of Shantung, is still "somewhere" in Shantung, carrying on his functions. The invaders attempt to appoint "new" magistrates to the *hsien*, but none of them is able to take over the administration due to the opposition of the local people. The magistrates appointed by the provincial government are still in power, we are reliably told.

Famous Fighters

Shantung is one of the mountainous provinces of China, and so, topographically speaking, it is quite suitable for guerilla warfare. The people in Shantung are famous for their fighting ability and strong physigue. A word of agitation is sufficient to stir them up, not to speak of their personal sufferings, destruction of their property, murder and rape of their parents, wives and children, and their neighbors, at the hands of the foreign invaders.

At present, according to the most reliable and conservative estimate, there are about 500 units of the mobile forces throughout the province of Shantung. In western Shantung, the mobile forces are under the command of Liu, Kao, Wang, Lee and Kiang. In southern Shantung, they are under Shih, Chin, Chang and Shieh. In northern Shantung, they are under Van, excluding the forces under Liu. Along the Shantung-Honan border, the mobile forces are under the command of Chang, Tsai and Hu. According to the information at hand, the people in Shantung have a larger number of rifles than people in other provinces. No less than 700,000 rifles are in the hands of the people, and they are the weapons with which the Shantung people kill the invaders.

Harrassing the Enemy

In view of the fact that Chiaochow and Tsingtao are now the bases of the Japanese military operations, we prefer to give a special account of the activities of the Chinese mobile forces in eastern Shantung by Tsui Teh-jun, president of Kwangwen Middle School of the American Presbyterian Church in Wei Hsien. He said inter alia:

Order to Destroy

The commander and field director of the mobile forces east of Chiaochow is Lee, former magistrate of Wei Hsien. He is now the Special Commissioner of the 8th Administrative District of Shantung, and concurrently commander of the *paoantui* (peace preservation corps) having jurisdiction over 13 *hsien*. When the invaders occupied part of Shantung, Lee at once ordered the people "to destroy every means of communication at their will and to the best of their ability in order to harass the advance of the enemy. A couple of days later, the Changloh-Changyi Section, a distance of 40 *li*, and the Weihsien-Fangtze Section, a distance of 30 *li*, along the Chiaochow-Tsinan Railway were completely destroyed, and the railway ties were carried away by the people as firewood. The people of various classes—farmers, laborers, students, professors, ex-service men, etc.—combine to participate in these activities. They do the job cheerfully and sing many of the patriotic songs, such as "Forward March," "National Salvation," "Return Homeward," etc., and shout many slogans, such as "Down with Japanese imperialism," "Drive Out the enemy," "Recover our lost territory," etc.

Recently, the invaders had no courage to run trains unless preceded by empty freight cars. But the Chinese mobile forces purposely permit the empty freight cars to pass and attack only the trains which carry Japanese troops, ammunition and foodstuffs.

According to this account, students, able-bodied youths, farmers and laborers in Shantung are far better organized than ever before. The invaders treat the Americans more kindly than the British. The hoisting of the American flag might exempt the people from search, but not the British flag. "Whenever American, British and French nationals pass through the city gate, they have to pay respect to the Japanese soldiers on duty by bowing and taking off their hats. If they should fail to do so, the invaders will not fail to use their fists. If the visitors resist, they will be beaten more severely. If the visitors inquire, the answer is: 'that is my duty'!"

On the Hopei-Shantung-Honan Border: Another strong mobile force, known as the "Shantung People's Anti-Japanese and National Salvation Army" is now most active along the Chiaochow-Tsinan Railway. They are now in control of 16 *hsien* in eastern Shantung. Four railway stations were captured by them. They killed Liu Kwei-tang, the notorious bandit chief, who was the Japanese puppet in Shantung. Another mobile force is active in the Weihsien-Chefoo-Lungkow area, and they captured Chefoo a short while ago.

With Tsaohsien, in western Shantung, as their center, another mobile force, consisting partly of regular forces, but mostly of patriotic elements in the province, is most active in that region. With Feichen,

Another Touchdown

Washington Post

Taian, Ninyang as the centers, other mobile forces are organized and known as the "Self-Defence Army of the 4th District of the Province of Shantung. The commander of these forces was once the national-salvation leader and was imprisoned by General Han Fu-chu, the late chairman of the Shantung Provincial Government. He is now leading his men to attack the invaders. His troops are fully equipped, behave well, and are generally known as "The Little 8th Route Army" in Shantung!

Across the Yellow River, in northwest Shantung, there is another mobile force under the command of a 58-year-old commander. His troops consist partly of regular troops which refused to withdraw, preferring to fight on. Later, they were joined by a number of students from Peiping and Tientsin. These students conduct a "national crisis educational system;" they have established "Resistance Primary Schools," like the "Resistance University" under the 8th Route Army in Shansi; they train political and military staffs; they publish papers, known as *Kang Chan Jih Pao* (War-Time Daily) and *Li Pao* (Strength Daily), and they have their own printing plant for publishing handbills and pamphlets.

In southern Hopei, a "Military Affairs Committee of South Hopei" was organized some time ago to develop guerilla warfare. They open schools to train the staffs and have organized a "Military Affairs Organization Committee" to take charge of the mobilization of the masses. Nankung is the center of their activities.

Paoting Retaken

In central Hopei, under the leader ship of a regimental commander of the 53th Northeastern Army (formerly under Chang Hsueh-liang), the "People's Self-Defence Army" was organized. These mobile forces were responsible for the recapture of Paoting on June 23.

In Eastern Hopei: We certainly remember the so-called "Anti-Comintern and Autonomous Government of Eastern Hopei" under Yin Ju-keng, another Japanese puppet, with its "capital" at Tungchow. But sometime in June of this year, part of the mobile forces were ordered to go to esatern Hopei. Crossing the Peiping-Suiyuan Railway, they eventually reached their destination. In Changpei, they won a victory and many Japanese troops were disarmed. Dismayed by the Chinese advance, Japanese troops were immediately despatched from Peiping and Tientsin to prevent the Chinese mobile forces from reaching Jehol. In less than one month more than ten *hsien* in eastern Hopei were recaptured by the Chinese mobile forces. Lanfang railway station, only a stone's throw from Tientsin, was once recaptured by them!

On the Hopei-Shansi-Chahar border, there is one District Government of the Hopei-Shansi-Chahar Frontiers, which has jurisdiction over more than 40 hsien on the border of these three provinces, including the former Soviet District (now abolished). It is under the leadership of the 8th Route Army. The masses are well organized, and their mobilization for war is in full swing. It is generally known as the "model guerilla district" in China. Yi is the commander of these mobile forces, and concurrently the garrison commander of the Hopei-Shansi-Chahar Frontiers. Recently, many foreign correspondents have visited this part of China, so we prefer to let them tell more about this "model district" to the outside world.

8th Route Army

On the Suiyuan-Jehol Border: From the most reliable information we learn that, despite Japanese efforts, the Chinese mobile forces of the 8th Route Army have already reached Jehol in one direction, and Shanhaikwan on the other. They plan to join with the anti-Japanese armies and "volunteers" in the Northeast.

General Ma Chan-shan, the famous Nonni River Bridge hero, is now leading some ten thousand men, with Paotau as his objective. The troops under General Fu Tso-yi, chairman of the Provincial Government of Suiyuan, are now heading for eastern Suiyuan.

In Shansi: In Shansi, only 12 *hsien* were occupied by the invaders. The 8th Route Army swears not to leave this province. From information from neutral sources, we learn that the casualties for the Chinese and the invaders are 1 to 5, due to the employment of guerilla tactics. The invaders attempted to envelop the Chinese mobile forces no less than nine times, but failed badly.

In Kiangsu, Chekiang, Anhwei and Kiangsi: The writer of this article purposely omits discussion of the New Fourth Army, newly-organized mobile force now fighting the invaders in Kiangsu, Chekiang, Anhwei and Kiangsu, as this subject was already discussed in the *Review*. He wishes only to state that the Chinese mobile forces have been knocking at the doors of Shanghai, Nanking, Soochow, Hangchow, etc., already many times!

All these activities explain well the Chinese slogan which reads: "Towards Mukden and the Yalu River." Another slogan reads: "Convert the enemy's rear into the war front." As the Generalissimo once said, "the Northeast will soon become the war front!"

Chungking, November 14, 1938.

Italian Embassy Denies Spy Story

An indignant denial that two Italian priests in Laohokou, northern Hupeh, had confessed to espionage in the service of Japan, as reported in the previous issue of the *Review*, was issued by the Italian Embassy in Chungking Dec. 14. The story, which was carried by the official Central News Agency and published in all Chinese newspapers, was described by an Embassy spokesman as "absolutely untrue—a most ridiculous assertion."

Airplane Plant for French Indo-China

Construction of an airplane factory with an annual production of 150 planes and 400 airplane motors has been ordered for French Indo-China by M. Mandel, French minister for colonies, according to a *Transocean* report which quotes the Paris *Aux Ecoutes* as its source of information. The plant, the report adds, is to be completed within one year.

Telegraph Service to South China Opened

Telegrams from Central to South China will henceforth be accepted for transmission by the Central China Telecommunications Company, the Japanese *Domei* agency reported last week. Messages will be accepted in the Japanese language, as well as in Chinese and European languages, it was announced.

Yellow River Floods Areas in N. Kiangsu

The Hsinhua, Taichow, Kaoyu, Paoying, Tungtai and Yenchen districts, in north Kiangsu province, are submerged under Yellow River flood waters, according to the latest dispatches from Hwaiyin, in north Kiangsu.

Survey Shows Damage To China's Universities

According to a survey conducted by the Library Association of China, Japanese bombs and artillery fire have destroyed or damaged 54 of China's 114 colleges and universities since the commencement of Sino-Japanese hostilities last year. The survey covers the period up to the end of August, 1938, and therefore does not include institutions wrecked or damaged in the Japanese invasion of South China. The report of the investigators gives detailed descriptions of the damage to, or destruction of, the various educational institutions.

Exports from Occupied Areas Now Contraband

Goods exported from areas now under Japanese occupation will henceforth be considered as contraband. A decision to this effect is reported to have been taken by the Executive Yuan in Chungking and communicated by the Ministry of Finance to the Customs authorities throughout the country.

It is learnt that the Ministry of Finance has placed a ban on the export of wheat and flour. The Ministry, it is understood, decided upon this measure after consultation with the Ministry of Economics.

Cost of Living Index Slightly Down

The general index of the cost of living of Shanghai workers, according to the monthly report of the S.M.C. Industrial Section, stood at 154.87 last month, thus showing a decrease of 2.65 per cent as compared with October and an increase of 41.42 per cent as compared with July, 1937, the month preceding the commencement of the local Sino-Japanese hostilities.

Another 20,000 Japanese Troops Landed

A division of the Japanese army, numbering 20,000 men, arrived in Shanghai last week to reinforce the Nipponese troops already in this country, according to a report in the *China Evening News*. About three-fourths of these troops, the paper said, wore spectacles and looked as if they might have been business men or students before being conscripted for the army.

"Y" Buildings Still Occupied By Japanese

Y.M.C.A. buildings in Soochow and in Wuchang (Wuhan) are still being occupied by troops of the Japanese army, according to the latest information available here. All efforts hitherto made to gain repossession of the premises are understood to have failed, with the result that the work of the Y.M.C.A. in the two cities is greatly handicapped.

Manchukuo Budget Set at Y.403,000,000

Manchukuo's total expenditure in the general budget for the fiscal year 1939-40 has been set at Yen 403,000,000, according to a *Domei* report. The estimates were to be submitted for formal approval to the Council of State Affairs on Dec. 19.

Industrial Cooperatives Needed to Strengthen China

BY NYM WALES

IN July of 1938, the Chinese Government at Hankow organized a new industrial project of the greatest importance to the future of the nation, and of particular importance to all those interested in giving relief to flood and war refugees, in rebuilding China's national economy, or in supporting Chinese resistance. This project was the promotion of the development of industrial cooperatives throughout the interior of the country.

A Chinese Industrial Cooperatives commission was established directly under the Executive Yuan, sponsored originally by Dr. H. H. Kung, Minister of Finance, and Madame Chiang Kai-shek. An appropriation of $5,000,000 (Chinese currency) was made by the government as a trust fund for these cooperatives, under direction of Dr. Kung. As soon as several thousand dollars of this trust fund was made available, the technical staff went out into the field immediately and began their urgent task of creating the individual cooperative units.

Best Experts

The staff working on these industrial cooperatives is made up of some of the finest economic and technical experts in the country, including not only Chinese but foreigners sympathetic with China. For instance, the Chinese Government was fortunate in being able to secure the services of Mr. Rewi Alley as chief technical advisor. Mr. Alley, a New Zealander well-known as an expert on cooperatives and on Chinese industry generally, resigned his position with the Industrial Section of the Shanghai Municipal Council at the request of the Chinese Government, and immediately devoted himself energetically to the realization of the project. Mr. Alley is well-known in China for his writing on industry and his friendship with the Chinese. He speaks several Chinese dialects and has resided in China for fifteen years, during which time he adopted two Chinese boys and educated them.

Another foreigner is Mr. J. B. Tayler, long associated with the cooperatives in China, who hastened back from England as soon as he learned of the new project and volunteered his most valuable experience and enthusiastic support. He is now technical advisor of the Paochi district headquraters of the cooperatives in the far Northwest, where with his co-worker, Mr. Y. P. Mei, he is developing wool cooperatives.

The movement was immediately supported by Chinese engineers, technical experts, bankers and public-spirited persons anxious to build up a new industrial base for their nation. At the Industrial Cooperatives headquarters in Chungking, Szechwan, Mr. Chang Nai-chi, is secretary-general. Mr. Chang was formerly manager of the Chekiang Industrial Bank, and his name is a by-word for progressive economic development in China. As associate general secretary, the cooperatives were able to secure the services of Mr. Liu Kuang-pei an engineer and graduate of an American university who was formerly commissioner of finance of Kansu Province. Mr. Liu gave up his position as magistrate of Hohsien, the famous model *hsien* in Anhui Province, in order to give his entire time to the new industrial cooperatives project. Similarly, Mr. James Y. C. Yen, founder of the model *hsien* in Hopei, Tinghsien, who experimented with industrial cooperatives there, immediately gave his support, and is active by assisting the movement as technical advisor in Hunan province.

Engineers Employed

In the field, there are two of the best engineers in China, Mr. S. Y. Lem (Frank Lem) and Mr. C. F. Wu, chief and vice-chief, respectively, of the technical section of the Industrial Cooperatives. These two resigned highly-paid positions as electrical engineers in the Shanghai Power Company and volunteered their services for the new project, realizing the great importance of its immediate development. Both are graduates of American universities. Mr. Lem is at present stationed in Paochi, Shensi, and Mr. Wu in Shaoyang, Hunan, where they are making rapid progress in organizing industrial cooperatives.

The secretary of the organization section is Mr. Liu Kuang-mien, who formerly worked with J. B. Tayler on cotton cooperatives in Hopei Province. Mr. Liu gathered together 25 of his cooperatives experts and this group has contributed invaluable service in the development of the movement.

The maximum salary which any one of these may receive is $200 Chinese currency monthly, which is necessary in most cases in order to maintain their families, and each of these men has volunteered his services out of a patriotic spirit in order to aid in rebuilding of an industrial rear line of defense for the national struggle for independence.

Background of Plan

The background of the development of the industrial cooperatives project is as follows:

As is well-known, the main purpose of Japan in conquering China is to gain possession of her markets, resources and raw materials—and to prevent China from becoming a modern industrial nation utilizing these for herself and thereby rising to a position of competition with Japanese industry. Therefore Japan's first act was to raze to the ground all Chinese industry, and to carry off all portable machinery and scrap iron to Japan for use there. When Japan occupied the Shanghai-Wusih area she was able to destroy 70% of all China's modern industry, which was concentrated in those places. Her bombing objectives have been directed toward all Chinese factories, in order to destroy China's productive power in the rear—in the usual strategy of "total war."

Now that Japan has occupied all the major industrial cities of China—Tientsin, Shanghai, Wusih, Nanking, Canton and Hankow, together with other coastal cities, the industrial machine which China built up with such great effort after the beginning of the World War, has been almost entirely annihilated. This leaves China dependent upon foreign imports—and Japan is rapidly forming an encircling blockade to prevent incoming imports, (from countries other than Japan.) Therefore, with the loss of the great Yangtsze industrial center, Hankow, and of the important southern economic base, Canton, China is confronted with a grave emergency in which it is vitally important to begin to rebuild a new industrial base in villages and towns of the interior provinces. How can this be done?

The Solution

Immediately after the fall of Shanghai and Wusih, industrial experts in China became alarmed at the loss of China's industrial bases and began plans for creating a new industrial line of defense. Then it was thought that big factories might still be safe in Chungking, Chengtu, Yunnanfu, Nanchang and Changsha in the far interior. Today Japan is bombing all these cities, and it has been impossible to create any big factories. Because of the grave risk, capital has not been available for investment in such industries, and bankers as well as technical experts have agreed that the only feasible method of building industry is in small units, and preferably on a cooperative basis.

Before the war in China, there were approximately 3,000,000 factory workers employed in China. Now that the factory system has been destroyed these skilled workers are all unemployed, except some 200,000 working in British and Japanese mills in Shanghai and a few elsewhere. These unemployed laborers can be put to work immediately if a little capital is available to organize industrial cooperatives. Within a few weeks such cooperatives can become productive and within a few months self-supporting, because the market already exists in the interior, and the workers are already trained. At the same time there are between fifty and sixty million war refugees in China who have no way of earning a livelihood, and of these it is estimated that fifteen million are now destitute. Others will become so in the future. All these people represent labor-power that must be mobilized immediately in productive relief in order to rebuild the economic structure of China. If several millions of these can be organized into industrial cooperatives, these people will constitute a vast new labor-army in the rear, actively supporting the war.

All funds for relief should have a good percentage earmarked for productive relief through these industrial cooperatives, as the only possible solution of the refugee problem. All Chinese capital abroad should be recalled by the Government to assist in the rebuilding of these small industries—this will probably all be lost in the next World War or stock market crash anyway, without having contributed to the salvation of China. Today every dollar can be multiplied a hundred times in China, because of the great need confronting the country.

30,000 Cooperatives

The Chinese Industrial Cooperatives movement aims to establish 30,000 industrial cooperatives as quickly as possible. All that is required is a large amount of capital to stimulate the wide expansion of the movement, for as soon as a base is formed, the movement will spread and the capital will begin to repay itself, as well as increasing the purchasing power of the interior, creating a new internal market for farm products at the same time, and thereby reviving the economic life of the villages. Although the government has allocated five million dollars for this project, this money is not now available in a total sum large enough to really give the project the necessary momentum. Therefore contributions from patriotic sources at this initial stage are invaluable. There is still enough machinery available in the interior to get the movement started. For instance, one American woman gave $50 gold to the cooperatives. With this, 17 Chinese-made weaving machines were bought in Hankow and employment was given to 60 persons in the Paochi, Shensi, cooperative units.

The Industrial Cooperatives staff plans to establish four regional headquarters in Shensi, Hunan, Kiangsi and Szechwan provinces, around which centers hundreds of branch units will be established. So far, they have divided production into six categories: textiles, food-stuffs, chemicals, metal work, educational necessities, such as paper, and various other easily-produced items. Under each of these headings many products can be manufactured. For instance, under "chemicals," the cooperatives can manufacture matches, candles, paper, drugs, soap, pottery, glass, thermos flasks,

electric bulbs, dry cell batteries, medical supplies, and munitions.

The first two cooperative centers were formed in Paochi, Shensi, and Shaoyang, Hunan, the former being mostly cotton-weaving and the latter making towels. These are expanding rapidly and already 100 cooperative units are functioning. News from the interior is hard to get at the moment, but new headquarters are being established every month, hampered only by lack of capital. One of the most important of these headquarters will be in Kiangsi, which will direct industrial cooperative units in Fukien, Chekiang and Kwangtung provinces, where war is now in progress. The overseas Chinese from Fukien and Canton should give strong support to this headquarters, in order to aid their home provinces in this hour of great need.

Help from Overseas

Already overseas Chinese are responding to the emergency and in November, the Philippine Chinese Women's Relief Association sent $140,000 to the industrial cooperatives in China. Chinese bankers in Manila have suggested that if shares could be sold, hundreds of thousands of dollars could probably be raised for the project. In September a group of Cantonese bankers gave a loan of $200,000 through the Shanghai-Nanking Committee for the Promotion of Industrial Cooperatives.

Many missionaries, relief workers and Y.W.C.A. members have given support to the movement. The bulletin of the Shanghai headquarters of the National Christian Council of August 22, sent out an appeal for support to such industrial cooperatives as a means of aiding China.

Japanese trade with China is reviving at an alarming rate. Visitors to the occupied cities, from Peking to Hangchow, report that 95% of the goods sold are of Japanese origin. Shanghai's imports from Japan have increased 40% during the war, thus "giving the Nipponese first place with 25 percent of the grand total," according to an *A.P.* despatch from Shanghai dated November 23, while British imports have dropped 60% and American imports 65%. Before the war Japan ranked third. Every month 2,000 merchants and industrialists from Japan are entering China!

Japan's war on China is not military but economic—her advancing war machine is only a means to an end. Today it is becoming obvious to foreign trade interests that Japan's reason for controlling the whole coast line from Tientsin to Canton is not in the interests of military but economic strategy. The main purpose is to isolate foreign trade from the interior, and thereby to monopolize the entire trade of China in the future. This is also Japan's reason for closing the rivers to foreign shipping.

Need Is Great

It is already too late to realize a nationally effective industrial defense program for China. Imports of machinery are extremely difficult. But the need for native production of war supplies has increased a hundredfold. Fortunately, at the same time Japan is becoming more and more vulnerable both economically and militarily *in the rear*. If China can quickly begin to rebuild her industrial base to prevent Japanese trade from getting a strong foothold, and if America and England will cooperate to bring economic sanctions against Japan, Japan's weak and unbalanced home economy will begin to crack.

But profits are already beginning to come in for the Japanese; China is already beginning to pay for her own conquest. This is the most alarming feature of the present situation. Human flesh and blood can withstand bullets to the last man. But how long can a disintegrated agricultural economy overburdened with tens of millions of refugees withstand the devouring of an industrial machine ready to revive buying and selling? Economic history does not move backward to save a moral principle. The greatest danger facing China today is that the invaders may be able to realize an economic readjustment of the areas under occupation before Japanese economy cracks under the strain of war.

Spurious Coins Said Minted by Japanese

Some 3,000,000 spurious nickel coins, minted in "a certain country" (meaning Japan) have been shipped to Shanghai since last September and are being circulated in the Japanese-occupied areas of Central China, the *Hwa Mei Wan Pao* alleged in a recent report. These coins, in denominations of 10 and 20 cents, are said to be imitations of Chinese national currency.

The same source reported Dec. 16 that more than ten exchange shops on Szechuen and Honan Roads are engaged in purchasing silver for the Japanese. They offer, says the paper, $1.35 in legal tender notes for each silver dollar, and $2 in legal tender notes for each ounce of silver. The principal sellers of silver dollars, continues the report, are Japanese soldiers who bring looted coins back from the interior and prefer to sell them here at a premium rather than send them to Japan, where they can get only military notes in exchange.

New Revenue Stamps

Revenue stamps issued by the Chinese National Government will henceforth not be recognized on documents, according to a recent order of the Kiangsu, Chekiang and Anhwei Tax Bureau of the "Reformed Government." This Bureau, which is headed by Director Zau Shih-chun, has issued new stamps in denominations ranging from one dollar to one cent. It will be recalled that an unsuccessful attempt was made recently to assassinate Zau as he was riding down Nanking Road in his bullet-proof automobile.

Ambassador Johnson Reaches Kunming

Nelson T. Johnson, American Ambassador to China, who is returning to the United States on furlough, arrived in Kunming Dec. 17 and called on Gen. Lung Yun, chairman of the Yunnan Provincial Government, according to the *Kuo Min* news agency. He was to leave Kunming for Burma, en route to Washington via London, on Dec. 21.

Interviewed by press representatives, Mr. Johnson expressed deep admiration for the self-sacrificing spirit of the Chinese soldiers and the Chinese people in their struggle for the preservation of their national independence. He said that, according to his personal observations, national reconstruction in the interior of China has already progressed so far that prolonged and effective resistance can be offered against Japanese invasion.

Referring to Sino-American relations, Mr. Johnson said that these relations are traditionally friendly. It is but natural for the United States to come to China's aid in her hour of need. Henceforth the relations between the two countries should become closer than ever, *Kuo Min* reported him as saying.

Japanese Ambassador Arrives in Washington

Kensuke Horinouchi, newly-appointed Japanese ambassador to the United States, arrived in Washington Dec. 17 to succeed Hirosi Saito. He was expected to present his credentials to President Roosevelt yesterday.

A British View

Cartoon by Strube in the New York Times depicts the British viewpoint, "March of Events."

Drive on Communists Under Way in Europe

A press appeal to Parliament, demanding the dissolution and proscription of the French Communist Party, was published Dec. 16 by four Paris morning papers, namely *Le Jour, Le Journal, Le Figaro* and *Action Francaise*, a *Transocean* dispatch stated. On the same date, according to the same agency, the Czechoslovak government moved to dissolve the Communist Party throughout Bohemia and Moravia. This movement against Communists was extended the following day to Athens, where the Greek police arrested 46 alleged agents of the Communist International and confiscated a printing press and quantities of "illegal" literature. According to *Transocean*, three of the arrested men, former deputies in the Greek Parliament, signed pledges of loyalty to the government and promised faithful service to the state.

China Envoy Presents Credentials to Hitler

The new Chinese ambassador to Germany, Mr. Chen Chieh, last week presented his credentials to Herr Hitler after having modified the ceremonial address which he had prepared to meet objections by the Nazi government, which was understood to have demanded deletion of a "hostile" reference to Japan. In an editorial on the subject of Sino-German relations, the Chungking *Ta Kung Pao* declared China does not hope that Germany will alter her policy *vis a vis* Japan, but does expect Germany to maintain neutrality in the conflict between China and the Island Empire.

White Russians Build Road for Puppets

White Russians constituting a little "foreign legion" are engaged in constructing a motor road through Shansi Province for the Provisional Government, according to a message from Linfeng, relayed by *Domei* from Tokyo. A party of White Russians forming a construction crew and patrol unit engaged by the Rehabilitation Bureau was reported to have passed through Linfeng on the way to Yuncheng in southwestern Shansi.

Hungary May Join Anti-Comintern Pact

Political circles in Budapest expect Hungary to become a signatory of the Anti-Comintern Pact, according to a recent *Transocean* message from the Hungarian capital. The same sources are credited with the prediction that Hungary will quit the League of Nations in the near future and that Czechoslovakia will follow suit.

Shanghai Western District Becomes Center of Industrial Activity

Protests by wealthy foreign and Chinese residents of the Western and Western Outside Roads areas of Shanghai, have served to focus public attention upon a phase of Shanghai's industrial recovery which otherwise might have received but scant attention. The residents referred to, voicing their indignation in the columns of the daily press, complain that factories of various kinds have been springing up like mushrooms, spoiling what once was a peaceful, smoke free area, and causing depreciation in the value of costly residential properties.

Visitors to the areas in question cannot help being struck by the evidence of expanding industrial activity. Plants of varying dimensions, producing a great variety of commodities, are springing up on land which was vacant not so long ago. The smoke from their chimneys blankets the countryside. Mat-shed villages, housing the workers employed in the plants, are in evidence everywhere. It is against the ubiquitous presence of these miserable aggregations of workers' abodes that the well-to-do residents protest most viciferously. Irate house-owners declare that the Western area is fast becoming an industrial slum and that the workers' villages, with their unfailing lack of proper sanitation, are breeding grounds of disease, besides being fire hazards.

Continued Japanese military occupation of Hongkew, Yangtszepoo, Chapei and Nantao placed Chinese industry in a quandary. Plants owned by Chinese in those areas, which were not destroyed in the fighting last year, and which escaped the torch and the depredations of Japanese army looters when the fighting was over, have been to all intents and purposes confiscated by the new masters of the territory. Only those owners have been permitted to return and recommence operating their plants who were willing to admit Japanese subjects to partnership—on Japanese-dictated terms.

Only Area Available

The Western district of the International Settlement, and the Western Outside Roads area, as long as the present situation prevails, are the only areas available for the re-establishment of Chinese industry in Shanghai, provided the owners happen to be persons (and these are apparently the majority) who are not willing to subject their enterprises to the whims and fancies of the uncontrolled Japanese military.

It was in the third quarter of this year that industrial development in the Western part of the city first began to assume significant proportions. During that period, the Industrial Section of the Shanghai Municipal Council reported, 366 applications for factory building permits were dealt with and 154 permits issued by the office of the Building Surveyor. The growth continued in October, when 100 applications to erect factory buildings, or to convert existing buildings to factory purposes, were received. The Public Works Department also approved 22 sites for the erection of factory premises.

Silk filatures figure prominently among the new plants that have been opened. This industry had tended in recent years, even before the hostilities, to move away from Shanghai into the smaller provincial cities of Kiangsu and Chekiang, with the result that, immediately prior to the hostilities last year, the number of filatures in the International Settlement had fallen to two. At the end of September there were 17 in operation in the two western districts and in the northern areas, employing between them 10,000 workers, while another 12 were under construction with an anticipated labor force of 6,000 workers.

Variety of Industries

Among the new industries that have invaded the Western areas are the enamelware plants. At the end of September there were nine either in operation or under construction, whereas previously there were only two. Besides these there were 27 new glassware factories, four new paper mills, four new tanneries, numerous briquette plants, various textile plants, book publishing concerns, and factories making furniture, machinery and metal products, chemicals, clothing, foods.

While industry in the Western part of Shanghai is spurting ahead, the same cannot be said of the areas under Japanese domination north of Soochow Creek. What was not destroyed has been converted very largely to military use by the Japanese army. Chinese owners of factories still standing are not even allowed to visit their properties. The huge plant of the Nanyang Brothers Tobacco Company in Yangtszepoo has been converted into a Japanese post office and laundry for the Japanese officialdom, all the machinery having been previously removed or destroyed by the Japanese army.

The Wing On Cotton Mill (No. 1), also in Yangtszepoo, is now a storage depot for straw and fodder, according to the *Shun Pao*. In the same district, the Heng Foong Cotton Mill is now operating as the "Shanghai Cotton Mill" with a personnel of 600, while the Wing On Cotton Mill (No. 2) on Kwanghsin Road has been converted into a military hospital. And so with other factories, too.

Japanese Incubus

That the Japanese military occupation is an incubus even on Japanese-owned industry in Shanghai was indicated Dec. 13 by the *Wen Hui Pao*, which reported that Japanese cotton mill owners are paying $400,000 monthly to their military authorities for "special protection." The paper declared that these owners, complaining of poor business, met recently and decided to ask for a lifting of the levy. According to Japanese sources, between 70,000 and 80,000 Chinese have returned to the areas north of the Creek, but it is clear that as long as the Japanese military remain in control there will be no real start made on reconstruction and industrial revival in those areas.

There are, however, limits beyond which industrial construction in the Western areas of Shanghai cannot go. Following the example recently set by the municipality of the French Concession, the International Settlement authorities may move to halt artificially the industrialization of the Western district by means of a zoning plan. The visit to Manila of Chinese industrialists with interests in Shanghai and Wusih, as reported in last week's *Review*, is interesting in this connection, for these men, representing cotton spinning and weaving interests, are planning to establish plants in the Philippines because of the Japanese stranglehold on the lower Yangtsze area.

Ceylon Chosen For British Air Base

A new British air base is to be constructed at the harbor of Trincomalee on the island of Ceylon, according to the London *Daily Telegraph*. The paper points out the strategical significance of this spot, which lies half way between the Gulf of Aden and Singapore.

Guerilla Fighting Described by Priest

Accounts of recent fighting in the Yangtsze delta region were related recently to a *China Press* reporter by the Rev. Father Robert Willicks of the Belgian Scheut Mission at Haimen, who lately arrived in Shanghai, accompanied by a young Chinese peasant from the same district.

Father Willicks described a "battle" at Haimen between Chinese guerillas and Japanese troops engaged in what local Japanese military spokesmen describe as "punitive expeditions" and "mopping-up" operations. Both the priest and his companion were wounded in the shelling of Haimen by Japanese artillery, the former being hit by shrapnel in the hand and thigh.

The countryside around Haimen, the priest said, was "swarming with guerilla fighters." Always forewarned of the approach of the Japanese troops, the guerillas, who had established themselves in schools and other public buildings, never accepted open engagement. As the enemy approached, they would flee into the fields together with most of the civilian populace, returning only when the enemy force had retired or advanced beyond Haimen. The only results of the Japanese expeditions were the burning of a few public buildings by the invaders.

The guerillas, Father Willicks said, were very poorly armed. A majority of them carry old rifles and cheap, inefficient pistols of ancient vintage. The Japanese, on the other hand, usually carry a small gun of the trench mortar type. It can fire four to five hundred meters and can be transported in a leather case on a man's back.

Peiping Puppets Are Forced to Pay Indemnity

The puppet Provisional Government of China at Peiping has been compelled to pay a further indemnity of Yen 692,063 for the so-called Tungchow "massacre." The latest indemnity will be paid over to 98 surviving relatives of Japanese who were killed in the rebellion of Tungchow militiamen on July 29, 1937. The Japanese Government had already collected Yen 1,200,000 from East Hopei as damages several months ago, which brought the total to Yen 1,892,063, probably the largest indemnity China has been forced to pay since the Boxer Indemnity of 1900.

The rebellion of Tungchow militiamen occurred in the early stages of the Sino-Japanese hostilities and followed the killing of a number of Chinese soldiers belonging to Gen. Sung Cheh-yuan by the Japanese troops which were stationed in Tungchow, then serving as capital of the so-called East Hopei "Autonomous Anti-Communist Government." When the East Hopei militiamen (specially trained by the Japanese Army) heard of the outbreak of hostilities at Peiping, they rebelled and killed their Japanese officers, following which they massacred most of the Japanese in Tungchow, consisting of advisers to the East Hopei Government and a miscellaneous crowd of Japanese and Korean narcotic and silver smugglers.

Yin Ju-keng, chief Chinese puppet of the East Hopei government, was arrested by the Japanese military authorities and held prisoner until the indemnity was paid.

Indignation Reported at Loss of Canton

Indignation at the abandonment of Canton by its Chinese defenders in the face of the Japanese invasion in October pervades letters from overseas Chinese to their relatives and friends in that city, Japanese gendarmes in Canton revealed last week, according to *Domei*.

For the first time in two months, mails were received in Canton Dec. 14. Many recipients, apparently fearing that they might be suspected, brought their letters to the nearest Japanese gendarmerie post for censorship, the agency reported.

Letters from Hong Kong, Macao, French Indo-China and other places with large Cantonese communities expressed indignation at the steps taken by the Chinese military who evacuated the city leaving civilians to suffer. Large quantities of Communist and Kuomintang propaganda were seized from among the unclaimed letters.

Public opinion against Gen. Chiang Kai-shek is running high in southwestern China as a result of the action of the Kuomintang command in starting to demolish a motor highway linking Canton and Wuchow, western outpost of Kwangsi, according to the same source.

Despite a long heralded attempt to recapture Canton, the Chinese command appears to be pursuing its " retreat policy " in the south, the Japanese reports said.

Lawyers Required to Get Certificates

Certificates issued by the Nationalist Government to Chinese lawyers will be declared null and void in territories under the Reformed Government's jurisdiction at the end of a three-month period, *Domei* reported last week. New certificates will be issued by the Ministry of Justice of the new regime to lawyers who wish to practice in the Government's territories, provided they apply to the Ministry within the specified period, the report added.

Foreign Affairs Commissioners Proposed

A proposal for the restoration of the post of Special Foreign Affairs Commissioner for principal cities under the jurisdiction of the Reformed Government has been submitted by the Foreign Affairs Ministry to the Executive Yuan for consideration, *Domei* said. The post was created by the former Peking Government to facilitate an amicable settlement of controversies involving foreigners. The commissioners usually established their offices in districts where there was a large foreign population or where foreigners had large interests. These were abolished some time ago.

Franco Restores Rights of Ex-King Alfonso

The Spanish Nationalist Government of Gen. Francisco Franco last week decreed restoration of full citizenship rights to the ex-king Alfonso and gave permission for him to take up residence in Spain if he wishes to do so. All the ex-king's properties, many of which lie within Nationalist territories, are to be restored to him. Alfonso was deposed in 1931. European diplomatic circles are speculating as to the possibility that the Burgos decree may foreshadow restoration of the Spanish monarchy.

When Japanese Invaded Canton

(Upper left) When Wongsha Station, mined by Chinese troops retreating from Canton, exploded. (Upper right) The fire on the Shekki Bund. A man is seen hurrying to escape the heat of the flames. (Center) Wongsha Station a minute before it exploded. (Lower left) Street on fire near the Canton Customs House. (Lower right) a flaming street on the outskirts of Canton.—*Photos by K. J. Eskelund.*

Gay Times at Nanking

Japanese officers entertaining Chinese girls at a party in Nanking. Reports are current that the Japanese are importing into Nanking from Shanghai girls of this caliber.

China's Southwest Hinterland Becomes New Base of War Struggle

BY CHEN CHUNG-PENG

The future of China's war of resistance may depend in great part upon a hitherto almost totally neglected hinterland. The fall of Canton and the abandonment of Wuhan brought into immediate prominence the southwestern provinces of Szechwan, Yunnan, Kweichow, and Kwangsi. This area, having a population of 88,000,000, is economically and industrially self-sufficient.

Living in this region, formerly cut off from most of China through poor communication facilities, is China's most picturesque tribe, the Miaotze. Legend has it that these people are the descendents of one Chu Yu, military leader in the Yellow River Basin, who was defeated by the first emperor of China some 4700 years ago. Exiled to the southwestern mountains, Chu Yu became the father of the present Miaotze, whose chief characteristic, until recently, was a fierce hatred for the Sons of Han.

Except for physical appearance, the Miaotzes bear little resemblance to the Chinese. Theirs is a tribal organization based on the family, and the color of their clothing denotes the family to which they belong. Customs, language, and written characters all differ from those of the Chinese. Their complete separation from the outside world, however, is now a thing of the past. Since the outbreak of the Sino-Japanese war, a certain national feeling has made its appearance, and conscription for the forces of China is now common in the Miaotze villages.

New Communications

Since the loss of the Hankow-Canton Railway as a route for Chinese military supplies, communication lines through the southwestern provinces have become increasingly important. The Kunming-Haiphong Railway in Yunnan is China's only link with French Indo-China. Recently, there has been completed in the western part of Yunnan province a highway running from Kunming to Burma. Two more railways are at present under construction. One will run parallel with the Kunming-Burma highway. The other will connect Hengyang in southern Hunan with French Indo-China at Chennankwang.

Domestic communications are also being improved. The provincial capital of Kweichow, Kweiyang, is the center for four main interprovincial highways. Szechwan has the best developed system of roads, with five highways connecting Chengtu with the rest of the country. Railways, vital necessities from a military viewpoint, are being constructed with all possible speed. Four air lines, including one which connects with the French Hanoi-Hongkong Line at Hanoi, have been opened by the China National Aviation Corporation and the Eurasia Aviation Corporation.

It is a well-known fact that the greatest natural wealth of China is centered in the four southwestern provinces. Szechwan yearly produces 15 per cent of the nation's rice crop, 6 per cent of the total wheat harvest, and 16 per cent of China's corn. One-third of China's main export, tung oil, is produced by Szechwan, and $10,000,000 worth of yellow silk is exported from the province yearly. Although the other three provinces are much poorer than Szechwan, they are still self-sufficient in foodstuffs.

Rich Szechwan also abounds in mineral wealth, especially coal and iron. Yunnan provides 6 per cent of the world's tin. Gold, silver, copper, petroleum, and lead are found in all four provinces. Szechwan yearly exports 7,000,000 taels of salt, and Yunnan produces enough salt, 600,000 taels, for local consumption.

Financiers' Paradise

The southwest has undergone rapid development since the outbreak of the war. The Southwestern Economic Investigation Corps, organized by the Ministry of Economic Affairs, and the Western Yunnan Investigation Corps, a body of bankers, financiers, experts, and professors, have been making detailed surveys of this region's potential industrial and economic strength. The Southwestern Economic Reconstruction Commission, headed by Dr. H. H. Kung and General Chang Chun, has been organized, and $30,000,000 appropriated for its work in the southwest. The Resources Commission and the Yunnan Provincial Government are co-operating in the development of that province's mineral wealth with a capital investment of $2,000,000.

IN CHINA'S SOUTHWEST

Four Miaotze princesses who represented their race in welcoming students of the National Southwest Associated University to Lushan in Kweichow province. The students were proceeding to Kunming from Changsha.

Rich overseas Chinese and Shanghai industrialists were also quick to see the money-making possibilities in these provinces. One Singapore capitalist is ready to invest $50,000,000 in establishing an Industrial Corporation at Kunming. Factories and other industries formerly located in the battle areas of China have been packed up and sent piecemeal to the safer areas. When Chinese troops withdrew from Wuhan, 32,000 spindles and 3,700 looms were evacuated to the rear in order to safeguard China's cotton industry.

In consideration of its rapid modernization, many Chinese banks have opened branches in the southwest. Where there were only two banks in Kunming and Kweiyang, there are now nine in the first city and seven in the Kweichow capital. The once backward southwest is fast becoming a paradise for Chinese financiers and refugees, and Chungking will soon be the financial center of China. The once-neglected four provinces are destined to be the bases of the future new China.

Kunming, Nov. 19, 1938.

Narcotics Trade Flourishing Here

More than $1,500,000 is being spent for narcotics in Shanghai each month, 50 per cent of which comes from the pockets of coolies, peasants and the poorer classes generally, according to C. D. Alcott, *China Press* reporter, who recently made an investigation for that paper of the local drug traffic which is now sponsored, protected and taxed by the "Ta Tao Government" or Japanese puppet administration.

Of the total drug bill, $1,280,000 is spent for opium, while about $250,000 goes into the hands of the heroin dealers. This represents an approximate monthly consumption of four tons of opium and about 2,500 ounces of heroin. The price of heroin is about $100 an ounce, while the average retail price of opium is $10 per ounce.

The supply of opium, handled by a Japanese authorized syndicate, comes mainly from Jehol, Alcott asserted. Independent smugglers, however, bring in a certain quantity from South China and Persia, do their own dispensing, and pay no tribute to the puppet government. The heroin supply, on the other hand, arrives in Shanghai from Dairen and Shanhaikwan.

Alcott investigated the opium dens which have sprung up in Japanese-controlled territory on the Western outskirts of Shanghai, where retail dispensers of the drug are carrying on flourishing businesses with the full knowledge of the Japanese military and apparently with their approval.

Chamberlain Warns Italy Over Tunis

The undertaking stipulated in the Anglo-Italian agreement to respect the *status quo* in the Mediterranean certainly applied to Tunis, Prime Minister Neville Chamberlain told the House of Commons on Dec. 14. He added that any contrary action by Italy with regard to Tunis would be viewed with grave concern by His Majesty's government. The British premier thus virtually reversed his statement of Dec. 12, when in reply to a question regarding Tunis, he declared that no specific pact existed whereunder Britain would be obliged to assist France in the event of an attack upon that country or any of its possessions.

Italian agitation concerning Tunis died down considerably during the week, but political observers in Europe foresaw the possibility that Mussolini might take advantage of the coming visit to Rome of Prime Minister Chamberlain to put forward some definite colonial claim with regard to France's north African colony. The *Frankfurter Zeitung* on Dec. 18 delivered a warning to Great Britain that Germany would stand by Italy in the event of a Franco-Italian conflict over Tunis.

Mei Lan-fang to Quit the Stage

Dr. Mei Lan-fang, the famous Chinese female impersonator and leading exponent of Chinese classical drama, has decided to quit the stage for good according to a *Kuo Min* message from Hongkong. Recently, a representative of a Chinese theater in Shanghai arrived in Hongkong to invite Dr. Mei to appear in a series of performances. The invitation was declined by the famous actor, who disclosed that he had definitely retired from the stage.

Vegetarianism Is No Fad in China*

BY WILLIAM H. ADOLPH

Professor of Biochemistry, Yenching University, Peiping, China.

RURAL China has furnished what is probably the best large-scale, long-term experiment with a vegetarian diet which the modern world has witnessed. Vegetarian fads in our Occident have come and gone and, while enthusiasts still stage occasional revivals, it is probable that as an accepted nutritional regimen, pure vegetarianism is on the wane. By vegetarianism is meant eating food which is solely of vegetable origin. The ration therefore does not include milk, milk products, meat, eggs, or other food-materials derived from animal sources.

The experiment which the rural populace of China has been carrying on is in many respects unconscious, but one source of its importance lies in the fact that it is unconscious. Another reason for its importance is the fact that it has involved not merely a few selected white rats, or even a few human subjects sheltered in the artificial comforts of the nutrition laboratory, but several millions of people as experimental subjects. Furthermore, it has extended not over a few weeks but over a score or more of centuries. It is estimated that not more than 10 percent of China's population live in the cities, and the food habits of the remaining rural 90 percent have remained largely unaltered, even as the agricultural economy has remained largely unchanged, over a period of thousands of years. The solution to its foremost problem which China has reached—that is, the problem of maintaining a large population on an agricultural basis—is therefore worthy of study. In fact, such a state of nutritional equilibrium as has been attained with human subjects in this area of eastern Asia is unique in the realm of nutritional investigation. Moreover, with the economic factors of the modern world rapidly changing, the opportunity which this experiment offers for study will quite probably never exist again.

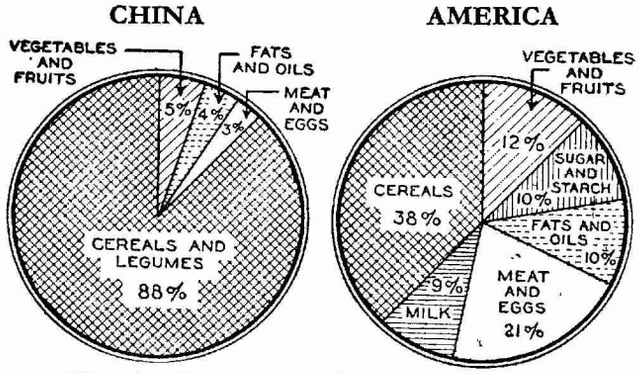

Figure 1: **Even an avowed vegetarian in the Occident might find himself hungry for foods of animal origin—butter, eggs, milk—if he takes a rural Chinese diet.**

Figure 1 is based on a number of preliminary surveys of what Chinese natives eat. It provides a comparison of the average dietary of China with that of America. Also, it indicates the almost complete extent to which the Chinese diet is vegetarian. In the Chinese diet, meat, fish, and eggs furnish only a very small amount of the total food supply. Even then many observers feel the figure indicated for meat—3 percent—is too high and does not properly represent the facts, while the milk and milk products consumed in China are so small in amount that they do not appear in the diagram at all. The amount of milk consumed averages less than 0.1 percent. It is of no small moment to realize that this large rural community of several hundred million people has lived and survived for, say 40 centuries without milk as food and without the use of any kind of dairy industry. Nor can it be asserted that the net result of this national experiment is qualitatively inferior, for example, to that of the Mongols to the north of the Chinese who do consume milk. Nor is this result in any sense culturally inferior to that of non-vegetarian countries.

Well-balanced Intake

The same diagram shows that the American dietary is a true omnivorous diet and, while it is not a perfect diet in many respects, it does provide what the nutritionist terms a well-balanced intake.

The vegetarian diet of China is, strictly speaking, a cereal diet. Legumes—and this includes the soy bean—are here included in this cereal group. The cereals consumed in North China (generally eaten as bread) are mainly wheat, millet, corn, and kaoliang; the southern Chinese replace these by the single cereal, rice (steamed rice). The customary reference to China as a rice-consuming nation applies, it should be observed, only to the southern two thirds of the country.

A more careful analysis of the data from dietary figures for China shows an apparent shortage of two items—calcium and protein. The first of these, calcium, is closely related to skeletal growth and stature. The amount of calcium consumed per capita throughout China appears to be not only dangerously near the minimum amount consistent with health and vigor but, according to western standards, it is far below that amount. An abundant supply of calcium is related to the use of milk. American nutritionists, in fact, are accustomed to look to milk to supply practically the entire calcium need of the human organism, and the one quart of milk per capita per day recommended by the Occidental nutritionist for the growing adolescent is largely dictated by this need for calcium.

The protein factor, on the other hand, involves a question of quality rather than one of absolute quantity. Figure 2 indicates the extent to which the protein consumed is derived from animal sources (meat, milk, eggs) and vegetable sources (principally cereals). Protein studies show that vegetable proteins have many shortcomings; they are less completely digested in the alimentary tract, and the portions digested are intrinsically of lower nutritive value. This means that, from a purely quantitative angle, more vegetable proteins must be eaten to meet the requirement. If 60 grams (two ounces) of protein per day are recommended for the mixed meat-milk-vegetable diet, probably 80 grams per day should be the intake on a more strictly vegetarian diet.

One of the interesting results of the Chinese experiment is the unconscious but independent discovery by the farmer-consumer that bread made from a mixture of cereals is usually to be preferred to that made from a single cereal. Various types of mixed flour are found native of different areas in North China. Crop conditions in each district dictate different mixtures, but in almost every district the farmers report a conviction that the mixed flour is superior to any one of the constituent simple cereals. Exact laboratory measurements have only in recent years demonstrated that this concerns the protein factor, for mixed cereal protein has an enhanced nutritive value. It is no longer regarded as surprising when laboratory experiments confirm the finding of the ages!

The results obtained with laboratory white rats, using littermates of the same age and initial weight, when fed typical omnivorous and vegetarian diets—in both cases showed that the rat that received milk grew far larger and heavier than the other. It must be kept in mind that an experiment with laboratory animals, under controlled conditions, accentuates one particular factor and purposely overlooks the many other physiological factors to which man in daily life is subject and which in human practice would also affect the results. In the Peiping Union Medical College, under the direction of Dr. Hsien Wu, attempts were made over a period of years to find a combination of vegetable materials which would produce growth in white rats comparable with that produced by an omnivorous diet, but the search did not lead to success. As a result, nutrition laboratories in the Orient which maintain rat colonies and raise white rats for experimental purposes, have found it advisable to feed these animals with a stock diet containing an appreciable amount of animal protein. This may be meat protein, casein (from milk), or even milk itself in some form. Results obtained with white rats may not be directly applicable to man, but the experience of nutritionists indicates that these qualitative differences between vegetable and animal protein cannot be overlooked.

Milk Little Used

Many of the food habits of the Chinese people, however, involve questions of food economics. Milk has never become a substantial item in the dietary. The reason is related to economic factors. The agricultural economist explains that calling upon a cow to eat cereal and convert this into milk, which in turn is then consumed by man, involves a greater energy loss than allowing man to consume the cereal in the first place. If man can actually convert cereal food directly into human brawn and human energy, then a cow becomes only an expensive intermediary. Such economic facts, particularly when the tremendous loss involved in a "cow converter" is weighed, become part of the inarticulate nutritional experience of a people. The same line of experience applies to meat, which is an expensive food in the Orient. When meat as a food is measured in a similar way it is found that the process of changing the agricultural crop into beef before it becomes human food involves a similar conversion loss. Animal husbandry furthermore has demonstrated with regard to meat production that the crop yield of a given unit of land area, if used to feed farm animals, will produce twice as much pork as beef—a fact that may be connected with the well-known prevalence of pork over beef in China. It has also been similarly suggested that *steamed* bread, because it is prepared with the expenditure of much less fuel than baked bread, has become the bread of North China, due to an economic factor.

**From the September issue of Scientific American.*

Effect of Calcium

Nutritionists during the past decade have turned from a discussion of what is the *minimum* diet to a consideration of what is the *optimum*, or best, diet. Superior effects measured in terms of growth in weight have been many times reported for laboratory animals when the amounts of certain chemical essentials in the diet have been augmented. Especially favorable results have been obtained by increasing the calcium and the milk protein, as well as the vitamins. Measurements in the United States indicate, that during the last half century there has been a marked increase in stature and physique in the younger generation of Americans. This may be attributed to improved living conditions, but among these conditions the improvement of the diet is certainly a leading factor. This observation is paralleled by results obtained at the Connecticut Agricultural Experiment Station where one of the oldest and largest of the white rat colonies used for nutrition experiments is housed and has been kept under careful observation. These animals have been fed the best diet available. A recent report shows, however, that in this colony over a period of 25 years there has been a gradual improvement in growth as new discoveries in nutrition made possible successive improvement in the stock diet fed. No one has yet accurately defined the upper limit of increased stature and physique which may be reached with improvement in the diet. It is evident that many of these factors are subtle, and that such experimental results often become apparent only when the experiment is extended over many generations. We can merely ask: How far can such an increase be continued? Is there an optimum physique for the animal and for man which we have not yet attained?

The bare fact remains that the Chinese peasant has maintained himself for 4000 years or more on a diet which is not only vegetarian but which does not contain milk, the *sine qua non* of the western dietitian. Milk is the one item without which our nicely balanced calculations become sadly deranged. Nevertheless, not only do simple calculations demonstrate that in China a nation-wide dairy industry is at present impossible, but history would seem to indicate that the Chinese people have never used milk.

The low calcium intake mentioned above causes the eastern dietitian some concern, for instead of milk, which in other countries is the chief source of calcium, the Oriental must seek vegetable sources of calcium to bolster up this supply. The amount of calcium consumed per capita per day is startlingly low by western standards. The importance of this element lies in the fact that calcium is the chief constituent of the bones and skeleton, and it seems likely that the low calcium intake is one of the limiting factors to which the Chinese physique has had to adjust. It has been naively suggested that the lower stature of the Oriental races is the result of this adjustment! This is only a conjecture, but it reflects some of the basic facts which the nutritionist may be called upon to explain! What is a nutrition standard? It may be wrong to refer to the diet of the Chinese peasant as a deficient diet. May it not be true that observations on long-term experiments, such as the Chinese experiment, will assist the world to establish truer norms? If so, we can look to the Orient for a more satisfactory definition of many of these dietary values.

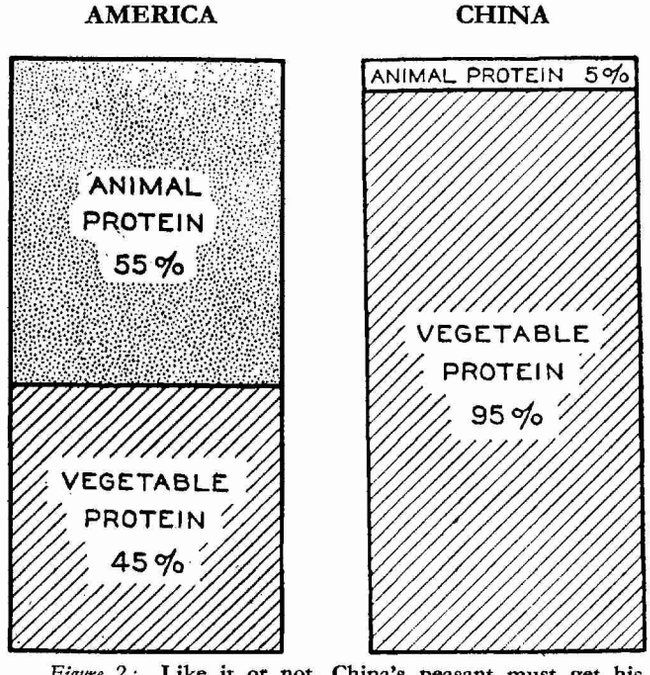

Figure 2: **Like it or not, China's peasant must get his protein—all but 5 percent—from vegetable foods.**

China's Solution

It is impossible to discuss here other important aspects of China's vegetarian experiment. The problem of vitamins in the vegetarian diet forms a distinct chapter; the effect of high carbohydrate diet with its abundance of roughage is another; the soy bean in China's dietetic repertoire is still another episode whose importance America has just discovered; there are other unique contributions. It may be concluded that, in the realm of rural nutrition, China has attained a solution to her food problem which economically is creditable and intensely practical, but qualitatively, the verdict declares, there is ground for much improvement. Improvements which health officers and nutritionists are proposing will involve decreasing the percentage of cereals in the diet and increasing the amount of green leaf vegetables and tubers such as sweet potatoes and also the greater use of eggs as food, these changes possibly, can be brought about without serious jolts to the agricultural economy. In addition to these, most programs propose rapid industrialization which, by raising the economic level, will enable the individual to expand the food budget and will make possible the beginnings of a dairy industry. Industrialization may thus be defined as a device to relieve the pressure on the land Health education is receiving special attention. All the nations of the world are absorbed in the task of developing national vigor and physique. Nutritional science in the Orient has only begun to apply itself to the problems at hand.

Man has for many years been aware that there was some relationship between food and physique, but the realm of nutrition is being expanded to include other qualities than mere growth. The president of the American Medical Association recently proclaimed that the newer knowledge of nutrition promises "greater vigor, increased longevity, and a higher level of cultural development."

Japanese Press on Lima Conference

Commenting upon the speech delivered by Secretary of State Cordell Hull at the opening of the Pan-American Conference in Lima, Peru on Dec. 9, the Tokyo *Asahi Shimbun* declared that this speech represented "a reannouncement of the Monroe Doctrine in new form." The United States, said the paper, was desirous of creating a "new order" in the Western Hemisphere, similar to that which Japan is now contemplating in East Asia.

However, the paper continued, "beyond our understanding is the fact that, while the United States herself is pursuing a Pan-American policy, she is unsympathetic towards Japan in her effort to establish a new order in the Far East. On the contrary, America insists on the observance of the principle of the Open Door and equal opportunity in China, which no longer is applicable to present conditions in East Asia."

The *Nichi-Nichi* believed that the United States was planning to establish hegemony over the American countries and develop therefrom military alliances. The paper added that "under the pretext that fascism is a menace, the United States is planning to make her own economic penetration, which is the main objective of dollar diplomacy."

According to a *United Press* dispatch, the United States delegation circulated to the Pan-American Conference delegates a proposed draft for a "Declaration of Lima," calling for solidarity of all states on the American continent and a united defense against outside aggression. The declaration was understood to be divided into two parts, the first dealing with collaboration and cooperation between the various American states for the development of trade, cultural and other peaceful relations, and the second with common defense against outside aggression of a political or military nature.

Halliburton to Cross Pacific in a Junk

Seeking to better the record of the Hummel-Hummel, 8-ton junk which crossed the Pacific last summer, Mr. Richard Halliburton, American writer of travel adventure books, was to start across the Pacific from Hongkong bound for San Francisco on a 100-ton junk on Christmas Day.

Mr. Halliburton, who will be accompanied by several companions, hopes to arrive at San Francisco about Feb. 20. The junk will sail by way of Guam, Wake and Hawaii. It was to carry oldstyle Japanese livery coats of scarlet silk, inscribed with the words "Tokyo, Japan" in English and "International Exhibition" in Japanese as gifts to the San Francisco Exposition from the Japan International Exhibition Society.

Pearl River to Stay Closed, Says Consul

The Pearl River will remain closed to foreign shipping until the Yangtsze question has been settled, the Japanese consul-general in Canton told *Reuter* on Dec. 19. Free navigation on the Pearl River, according to the official, is not an important issue in itself, but restoration of traffic now would prejudice Japan's case regarding the all-important Yangtsze.

Shanghai's Foreign Trade Advances, But Leaves Big Adverse Balance

Chinese Maritime Customs returns for the month of November showed a considerable increase in Shanghai's foreign trade turnover for that month, although the figures also expressed a highly adverse trade balance. In terms of United States currency, exports totalled around U.S.$5,000,000, while imports were valued at about U.S. $8,300,000.

The value of Shanghai foreign imports increased from G.U.11,614,638 to G.U. 13,755,328. This is an increase of G.U. 2,140,690, or almost 20 per cent.

The value of local exports rose still higher from $22,795,371 to $30,092,626. The export increase was $7,297,255 and amounted to almost 30 per cent.

In the field of imports the largest increase was in coal, the import value of which rose from G.U.938,681 to G.U.2,082,219. Remarkable was the import of coal from Japan to the amount of G.U.480,420. There had been no coal imports from Dai Nippon the month before.

Paper Imports Up

Another marked increase in imports was noted in paper, the import value of which rose by almost G.U.500,000. This increase was chiefly due to additional large imports of paper boards and cigarette paper from Japan.

Another comparatively large increase in imports was experienced in kerosene. Metals and metalwares, machinery, motor tractors and trucks, wines and spirits, tobacco leaf, hides and leather, and office requisites also saw their imports values rise.

In the textile group, the value of local imports increased but little.

Decreases in local imports were noticed in aniline and coal tar dyes, beans and peas, sugar, timber, rubber and tires, while there was no change in imports of animal products, fish, cereals, chemicals and porcelain.

The large increase in local exports was chiefly due to the extension of textile exports which the month before had fallen considerably in value.

The value of textile fibers exported rose from $5,567,698 to $8,026,647 due chiefly to the larger export of raw silk and, in a minor degree, to larger exports of raw cotton.

Considerably larger exports were effected also in cotton yarn, plaited and knitted goods, silk piece-goods, silk, pongee, and various clothing articles.

Textile Exports Gain

The total increase in the value of textile exports was almost $4,500,000.

The export value of animal products rose by almost $1,500,000, chiefly thanks to larger shipments of bristles, pig intestines, and eggs. There were also export increases in beans, medicinal substances, stone and earthen wares, and wooden furniture.

New fields of export were opened for Shanghai-manufactured macaroni and vermicelli to Hongkong, and for wheat flour to the Kwantung Leased Territory.

Shanghai exports decreased in value as regards wood oil, tea, hides and leather, seeds and paper.

In spite of the adverse effects of the war on China's export trade, the exports of tung oil from Chekiang during the first 11 months this year still amounted to 160,000,000 pounds, according to statistics compiled by the Wenchow Customs. This amount shows an increase of more than 10 per cent compared with the exports for the whole of 1936, which totalled 150,000,000 pounds.

Hongkong Trade Hit

The disastrous effect of the Japanese occupation of Canton on the South China trade of Hongkong was particularly marked last month.

Provisional Hongkong statistics of imports and from exports to South China show a decline in this trade of Hk.$18,000,000 as compared with November of last year. Hongkong imports from South China decreased by 64.2 per cent while exports decreased by 68.3 per cent.

Total imports from South China were Hk.$4,300,000 compared with Hk.$12,000,000 in November, 1937. Exports to South China were $3,900,000, compared with $12,300,000 in the corresponding period last year.

For the first nine months of the year, the average imports from South China were Hk.$10,000,000 per month and exports to South China Hk$13,800,000 per month.

For the purposes of official statistics the six cities of Canton, Kongmoon, Yunnanfu, Hoihow, Wuchow and Kungchow are regarded as South China.

At a Standstill

Of these, Canton is in Japanese hands and trade has ceased altogether. The position at Kongmoon is obscure, but it is believed that no trade to now entering or leaving that port.

In normal years Hongkong trade with South China totals approximately Hk.$ 200,000,000 per year.

The actual total this year, despite stoppage in the last three months, will exceed this amount by nearly Hk.$50,000,000, thanks to the record exports in the early months of the year.

Trade between Hongkong and South China is principally in live animals, Chinese medicines, foodstuffs and provisions, fuels, metals, minerals and ores, nuts and seeds, oils and fats, paper and paperware, piece goods and textiles, and treasure.

Ukraine Next?

Kansas City Star.

Grandma gets her face lifted

Japan Raps French Arms Shipments

Japanese Navy authorities are "gravely concerned" over the continued shipment of arms and ammunition into China through French Indo-China and are keeping close watch on the situation, a spokesman of the Navy Ministry said recently, according to a *Domei* dispatch from Tokyo.

Declaring that arms transit through Indo-China was "definitely established by indisputable information," the spokesman claimed that France was responding to China's appeal for increased shipments of arms. Four routes were said being used for this purpose, one by railway from Hanoi to Yunnanfu, another rail route from Hanoi to Lungchow in Kwangsi Province, a third by waterway from Haiphong to Tongking and the fourth by highway from Chinegar to Pakhoi.

The spokesman declared that since the fall of Canton, French Indo-China had become the principal artery of China's arms supplies. Trans-shipment of arms was also being carried on from Hongkong to Pakhoi and to the French leased territory of Kwangchowwan, the spokesman said.

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Trucks to Pass

According to a *Kuo Min* dispatch from Hongkong Dec. 20, the French authorities in Annam, while continuing to bar the passage of military supplies through Annam to China, have decided to permit the passage of Chinese commercial trucks and medical ambulances from Haiphong to Kwangsi and Yunnan. Trucks, as well as military supplies, are still prohibited from passing into Kwangtung from the French leased territory of Kwangchowwan.

An indication that Japan is learning to emulate the diplomacy of the European totalitarian states was seen Dec. 19 when the *Japan Times* expressed editorial sympathy with the natives of French Indo-China. Annamites in that country, the paper said, have come to realize that they have become "the most backward and the weakest" nation in Asia after 50 years of French rule.

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New Naval Base For French Indo-China

Construction of a large naval base and fortifications for the French Asiatic Fleet at the Bay of Cam Ranh in southeastern Indo-China is being planned by the authorities of the French colony, according to a *Domei* dispatch from Hanoi.

According to the report, an official announcement on Dec. 19 ordered the expropriation of land on the peninsula surrounding the bay. It was understood that the islands extending north of the peninsula as far as 13.4 degrees longitude have been included in the plans for the fortified zone. During the Russo-Japanese War the Russian Baltic Fleet entered the Bay of Cam Ranh before proceeding to the Japan Sea, where it met a crushing defeat in a battle with the fleet of Admiral Heihachiro Togo.

Armaments Burden Totals £3,000,000,000

The armaments burden of the world is estimated by the London *Daily Telegraph* at about £3,000,000,000 sterling. The armaments year book of the League of Nations estimated the total cost of armaments at £2,400,000,000 in 1937.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Dec. 4.—Japanese plan to establish new "Federal Government of China" by amalgamation of Peiping and Nanking regimes upset, because Marshal Wu Pei-fu, well known former Chihli party military leader, who was offered the post of president of the new government, rejected the Japanese offer. Disagreement also developed among factions in the Japanese military camp; Japanese now attempting to form a "central" regime in Nanking.

Dec. 4.—Severe fighting develops along Canton-Hankow Railway north of Canton, where Chinese forces on night of Dec. 1 launched offensive on the Japanese position south of Tsunghua. Chinese vanguards said to have reached a point, 25 miles north of Canton.

On Hunan front, Chinese and Japanese forces continue to face each other across Sintsiang River south of Yochow.

Ports along the coast of Hainan Island, including Haikow and Yulin, heavily shelled by Japanese warships. Chinese mobile units in southern Anhwei attack Japanese troops in Tungling area, where severe fighting reported.

Fighting resumed south of Wutai, northeastern Shansi, also south of Showyang (on Chengting-Taiyuan Railway), 58 miles east of Taiyuan, capital of Shansi.

Strong guerilla units recently sent into Central Kiangsu province by National Government, according to foreign traveller who arrived at Shanghai from the interior; said well-equipped and trained.

Dec. 4.—Hsieh Wei-ling appointed Chinese Minister to Scandinavian countries; Wang Ching-chi, present Minister in Stockholm, transferred to Warsaw as Minister to Poland.

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Dec. 5.—Lt.-Gen Wang Kao-nan, until recently Garrison Commander of Ningpo-Shaohsing Area, executed on Dec. 3 by order of Military Affairs Commission. Disobedience to military orders and reckless spending said causes of his execution. Wang was recently married at Ningpo and his wedding celebrated elaborately. Army officers on active service have been forbidden to marry during the period of war of resistance, according to order of National Government.

Dec. 5.—Two U.S. gunboats, **Luzon** and **Monocacy**, stationed at Hankow and Kiukiang respectively, sailing downriver for Shanghai, bringing with them large number of American refugees from Hankow and Kuling. French river gunboat **Amiral Charner** also joined convoy. The three foreign warships were escorted by three Japanese torpedoes and one naval plane.

Dec. 5.—Courtesy calls exchanged between Vice-Admiral Sir Percy Noble of British Navy and Vice-Admiral K. Oikawa, Commander-in-Chief of Japanese Naval Forces in China waters, aboard the British warship, **Kent** in Shanghai.

Dec. 5.—Street fighting reported in Sutsien, northwest Kiangsu, southeast of Hsuchow. Chinese troops storm inner wall of the city, where the Japanese had withdrawn.

Chinese High Command in South China rush reinforcements to meet rumored Japanese invasion of Southern Kwangsi.

Gen. Tsai Ting-kai, former Commander of the 19th Route Army, reported directing operations on West River front.

Heavy gunfire audible on Yochow front, but no change in the position of either Chinese or Japanese troops reported.

On Kiukiang-Nanchang railway front, opposing troops are about 600 meters apart, with the Chinese holding the south bank of Hsiu River.

Ichang, river port above Hankow, raided by Japanese aircraft on Dec. 3, according to Japanese report.

Gen. Feng Yu-hsiang, Vice-Chairman of Military Affairs Commission, arrived at Chengtu by air from Kwangsi.

Dec. 5.—More than 400 persons, representing administrative, professional and business life of Birmingham, England, attended a "self-denial dinner" at the Town Hall for the benefit of Chinese relief funds. Each person contributed a sum of 6d.

Dec. 5.—Organization of "National Defence Government," to be composed of leaders of various political parties in China again rumored in Chungking.

Dec. 5.—Some 800,000 able-bodied men in Szechuan enlisted and will undergo military training for a new Chinese Army, according to Chungking report.

Dec. 5.—Overseas Chinese have contributed $100,000,000 towards China's war chest since outbreak of present Sino-Japanese hostilities, officially announced at Chungking.

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Dec. 6.—Official circles in Chungking attach importance to successful stand made by Chinese troops in Tapiehshan mountain range in northwest Hupeh against repeated Japanese efforts to oust them. Japanese columns attacked Lotien and Yinshan recently, but were repulsed. Japanese troops in southwest Shansi reported concentrating on north bank of Yellow River with intention of attempting crossing to attack Shensi.

Japanese troops concentrate southwest of Samshui, on Canton front, in preparation for drive towards Chaoching (Kaoyao) on West River.

Gunfire audible at Chungshan, birthplace of Dr. Sun Yat-sen, north of Macao, as the Japanese attempting to effect landing there.

Japanese warplanes conduct extensive air raids on Chinese positions south of Tungting Lake on Hupeh-Hunan border, according to Japanese report.

Dec. 6.—Chi Kuo-cheng, chairman of puppet "Hankow Peace Maintenance Committee," narrowly escaped assassination, when he was attacked by unidentified assailant using an axe. Both Chi and his wife were wounded.

Dec. 6.—Marshal Wu Pei-fu, who rejected Japanese offers to become president of new puppet Chinese government, reported to have gone into hiding in the Legation Quarter in Peiping, in order to avoid Japanese visitors.

Dec. 6.—Japanese military authorities in Shanghai reported building extensive airfield approximately 18 miles to the northwest of Shanghai-Nanking Railway North Station. Bricks for use in the field being daily transported from the ruins of Chapei, Hongkew and Yangtszepoo to the new airfield by fleet of some 200 trucks. Japanese spokesman disclaims knowledge of construction of the airfield.

Also reported Japanese construction battery of 12-inch guns at Woosung to command mouth of Yangtsze.

Dec. 6.—United States Government said planning economic sanctions against Japan, according to report from London.

Dec. 6.—Officially denied at Chungking that "National Defence Government" would shortly be organizsed or that Mao Tse-tung, Communist leader, would replace Dr. H. H. Kung as President of Executive Yuan.

Dec. 6.—Three Chinese airplanes bombed Japanese airfield at Anking, capital of Anhwei, on Dec. 2, according to Japanese navy spokesman in Shanghai.

Dec. 6.—Outer Mongolia reported to have mobilized 300,000 troops and 500 airplanes for participation in China's campaign of resistance, according to **Kuo Min** report from Hongkong.

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Dec. 7.—Japan's violation of 9-Power Treaty and deliberate attempts to interfere with British trade in China denounced in British House of Lords yesterday. Lord Elibank inquired what the British Government was doing to protect British trade in China. Economic sanctions against Japan, closure of Hongkong and all Indian and Straits Settlements ports to Japanese shipping suggested. Aid in export credits to China also considered by British authorities. R. A. Butler, British Under-Secretary of State for Foreign Affairs, declared that British losses in China as result of Sino-Japanese hostilities were approximately £230,000.

Dec. 7.—Dr. Hu Shih, Chinese Ambassador at Washington, addressing New York Lawyers' Club yesterday, declared that China had to fight on and there was no hope of acceptable peace at present; declared that time and geography were on China's side; international situation might also change in China's favor. Victory could only come, if China kept on fighting, Dr. Hu said.

Dec. 7.—Wang Ching-wei, deputy general executive of the Kuomintang, declared, "China's basic foreign policy is to join hands, in a spirit of independence and self-determination, with the nations of the world which are sympathetic to our nation for a united front to check Japanese aggression and establish world peace." Fifth Plenary Session of Central Executive Committee of Kuomintang might be postponed indefinitely, Wang said.

Dec. 7.—Working arrangements with the Japanese-sponsored "Ta Tao Government" in Shanghai are not possible under present circumstances, declared an official of Shanghai Municipal Council in interview with **The China Press.** Declared the regime was inefficient and was disrupted by constant "rows" with itself, the official explained.

Dec. 7.—Official circles at Chungking denied rumor that Marshal Blucher, Commander of Far Eastern Red Army, had recently participated in conference in China and had demanded the partipation of leaders of Chinese communist Party in the Chinese Government.

Dec. 7.—Japanese troops occupied (Dec. 5) Chiangmen, north of Sinhui; communications between Chungshan and mainland cut.

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Dec. 8.—No immediate prospect of restoration of open navigation on the Yangtsze was in sight, declared spokesman of Japanese Navy Office; hostilities on River claimed main obstacle to resumption of navigation by non-Japanese shipping.

Dec. 8.—S. Kawagoe, nominally Japanese Ambassador to China, officially relieved of his post by Japanese Foreign Office. Foreign Minister Hachiro Arita announced that no new Japanese Ambassador would be appointed until new Chinese government has been organised and recognized by Japan.

Dec. 8.—Japanese military authorities rapidly developing communications systems in occupied districts in Kiangsu and Chekiang. According to **Domei** report, planning network of new railways and bus lines, also expansion of postal and telegraph services and inauguration of air routes.

Dec. 8.—China decides to end opium evil throughout the country, despite war, according to decision of Executive Yuan at Chungking.

Dec. 8.—American Ambassador, Nelson T. Johnson, announced intention to proceed to America on furlough shortly.

Dec. 8.—December 16 reported tentative date for presentation of credentials to

Hitler by Chen Chieh, new Chinese Ambassador to Berlin. The date for presentation had been postponed three times.

Dec. 8.—Japanese Navy Ministry spokesman declared that Japanese naval authorities were "gravely concerned" over continued shipment of arms and ammunition into China through French Indo-China and were keeping close watch on the situation. Four routes allegedly used for this purpose, namely, Hanoi-Yunnanfu Railway, air route from Hanoi to Lungchow (in Kwangsi), waterway from Haiphong to Tonkin and highway from Chinegar to Pakhoi.

Dec. 8.—Gen. Chiang Kai-shek, now concurrently Commander-in-Chief of Chinese Forces on South China front, visited Chinese units in West River sector and gave personal instructions to Chinese commanders there. Japanese troop concentrations in vicinity of Samshui heavily bombed by Chinese aircraft on Dec. 6.

Severe fighting reported between Chinese and Japanese troops in Southern Shansi. Japanese troop train dynamited (Dec. 5) by Chinese guerillas between Changsintien and Sinlo stations, on northern section of Peiping-Hankow Railway.

Dec. 8.—Japan's national debt reported three times larger than China's, according to spokesman of Chinese Finance Ministry at Chungking. China's national debt put at Mex. $6,000,000,000, while Japan's at Yen. 18,000,000,000.

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Dec. 9.—"Creation of a new order in East Asia is Japan's national aspiration," Hachiro Arita, Japan's Foreign Minister, told Sir Robert Craigie, British Asbassador to Japan, during their interview yesterday. Arita further explained Japan's fundamental policy **vis-a-vis** the new situation in East Asia, the question of free navigation on Yangtsze River and that of Open Door Policy in China.

Commenting on article published on Dec. 7 by **Tokyo Asahi** outlining Japan's fundamental policy and the plan of Japanese Government concerning the principles of Open Door and Equal Opportunity, spokesman of Japan's Foreign Office declared the article "fairly represented consensus of public opinion in Japan." The article contained the following points: establishment of firm foundation for stablization of East Asia; joint defence by Japan, "Manchukuo" and China against Red influence; economic co-operation between Japan, China and "Manchukuo;" removal of foreign restrictions on the autonomy of China such as extraterritoriality, unequal treaties and 9-Power Pact, etc.

Dec. 9.—Section of Canton-Hankow Railway from point north of Canton to the south of Yingtak systematically destroyed in order to prevent possible Japanese advance northward from Canton. Yingtak now in ruins as result of repeated Japanese aerial bombardments.

Japanese forces on Hupeh-Hunan border renewed attacks on Chinese positions on Canton-Hankow Railway, which were repulsed.

Severe fighting now taking place in southern section of Tungpu Railway in the vicinity of Linfeng, southern Shansi. Japanese troops attempting to move southward along the railway.

Dec. 9.—Chinese Invoice Office at Hongkong will issue passports to Chinese wishing to go abroad; British colonial authorities authorize exercise of Chinese governmental function in Colony.

Dec. 9.—American Ambassador Nelson T. Johnson will depart for America on Dec. 12 by way of Burma and Europe. Summer Welles, United States Under-Secretary of State, announced in Washington yesterday that Ambassador Johnson had been requested to return for consultation.

Dec. 9.—**U.S.S. Luzon, flagship of United States Yangtsze Patrol, arrived at Shanghai from Hankow, without encountering any serious obstacles en** route, despite Japanese alarmist reports that the Yangtsze filled with floating mines. In addition to its men and officers, the ship carried 15 American civilians as passengers.

French gunboat **Amiral Charner** also arrived in the same convoy.

Dec. 9.—Officially announced in Tokyo that Gen. Gen Sugiyama has been appointed Supreme Commander of Japanese Forces in North China, in succession to Gen. Count Terauchi, who has been appointed member of the War Council. Gen. Sugiyama graduated from the Military Cadets School in the same class as Gen. S. Hata, Supreme Commander of Japanese Forces in Central China.

Dec. 10.—Serious fighting renewed on South China and Yangtsze fronts, as Japanese resumed attack on Chinese positions on West River and also near Pingkiang. Fighting also develops east of Canton-Hankow Railway, north of Canton, in vicinity of Shengkang and Taipingchan, south of Tsunghua. No important change reported on either front.

Important military conference summoned by Gen. Chiang Kai-shek, attended by all ranking Kwangtung and Kwangsi commanders at Kweilin, Kwangsi capital, on Dec. 8. Measures for defence of Kwangsi and counter-attack on Canton decided upon.

Japanese troops along Tungpu Railway in southern Shansi harassed by Chinese mobile columns, which prevent Japanese from launching their long-projected invasion of Northwest provinces.

Dec. 10.—Japan's war expenditures for 1939 placed at Y.6,000,000,000, according to estimate by Japanese Ministry of Finance.

Dec. 10.—Lt.-Gen. Hideki Tojo, Vice-Minister of War, appointed to newly created post of Inspector-General of Army Air Force, according to Tokyo report. Lt.-Gen. M. Yamawaki succeeded Gen. Tojo as Vice-Minister of War.

Tientsin, Hankow Feel Nippon Heel

Great inconvenience is being caused to foreign residents of Tientsin as a result of a sudden order by the Japanese military authorities prohibiting, among other things, the movement of persons from or into the French and British Concessions. The restrictions, which, it was intimated, would be maintained indefinitely, were described by *Domei* as "an effort to apprehend anti-Japanese and pro-Communist elements alleged to be active in the French and British areas."

"Although ostensibly directed against guerillas and incendiarists," *Reuter* reported "these measures are regarded in certain foreign circles (in Tientsin) as the opening of a campaign to force compliance by the French Concession authorities with the Japanese demands for the handing over of anti-Japanese elements among the Chinese population."

Although Japanese military, naval and diplomatic spokesmen in Shanghai denied knowledge thereof, it is known that similar restrictions on free movement were clamped down by the Japanese military in Hankow. A virtual embargo was imposed on food entering the French Concession there. The Japanese moreover, refused to connect the water service to the Concession and generally make it difficult for foreigners who have their residence or business in that area.

At Shanghai, the Japanese authorities announced the lifting of the curfew in the Hongkew district over the Christmas and New Year holidays "in order to help the foreign population have a good time." This dispensation does not extend to Chinese residents.

Japanese Threaten Free Fishing

A threat to resort to "free fishing" in Soviet waters in the event that Soviet-Japanese diplomatic negotiations failed to produce a new fisheries agreement, was made Dec. 19 by the Nichiro Gyogyo Karushiki Kaisha, leading Japanese fishery concern, according to a *Domei* message from Tokyo.

While apparently fruitless discussions were going on in Moscow between Soviet Commissar Maxim Litvinov and Japanese Ambassador Togo, a *Reuter* dispatch from the Japanese capital on the same date reported a large concentration of Soviet troops on the Manchukuo border. Two days earlier, on Dec. 17, Japan was stated to be rushing "measures to cope with the worst eventuality." These measures, according to *Domei*, followed "an almost complete breakdown" in the Moscow conversations.

The *Chugai Shogyo*, leading Tokyo commercial daily, accused Moscow of an "attempt to destroy Japanese fishery rights by circumscribing Japan's vested interests piece-meal in proposing a *modus vivendi* year after year." Russia now intends, according to *Domei*, to restrict Japanese fishing operations in those areas which might have strategical importance in the event of war. In this connection, Litvinov was said to have cited to the Japanese ambassador a recent address by Lieut.-Gen. Hideki Tojo, former vice-minister of war, in which the latter spoke of the need for preparing for possible war with the Soviets, as a factor in the "changed situation" which has induced Moscow to limit Japanese fishing operations.

Other Issues

Tied in with the current Soviet-Japanese dispute over fisheries, is Moscow's complaint over non-payment by Manchukuo of the final Yen 6,000,000 installment on the Chinese Eastern Railway purchase, added to charges that Japan is violating the Portsmouth Treaty, while Japan charges that Moscow has made it virtually impossible for her concessionaires to continue exploiting the oil fields in North Sakhalin which are held under lease by Japanese interests.

With regard to this latter charge, a *Domei* dispatch from Toyohara, Sakhalin, reported that 5,000 persons had fallen victim to Stalin's purge in North Sakhalin last summer. This information was reportedly gained from a Soviet citizen, Semionov Alexandrovich Kazeikin, who crossed the border into Japanese territory on Sept. 11 and is soon to stand trial on a charge of having violated Japan's military secrets law. Many of the "purge" victims, this man is credited with revealing, were executed without trial while others died of privations in jail.

British Propose Rail Modus Vivendi

An Anglo-Japanese joint administration of the Nanking-Shanghai and Shanghai-Hangchow Railways, now under Japanese occupation, is reported to have been proposed by the local British consul-general in a note to the Japanese authorities, the *Wen Hui Pao* stated recently.

This arrangement is said to be only effective during the period of the Sino-Japanese war, and under the joint administration the Japanese are requested to pay monthly interest on the British investment from the revenues of the railways and deposit them in a designated bank. It is understood that the Japanese authorities have promised to give this proposal due consideration.

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Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ow*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

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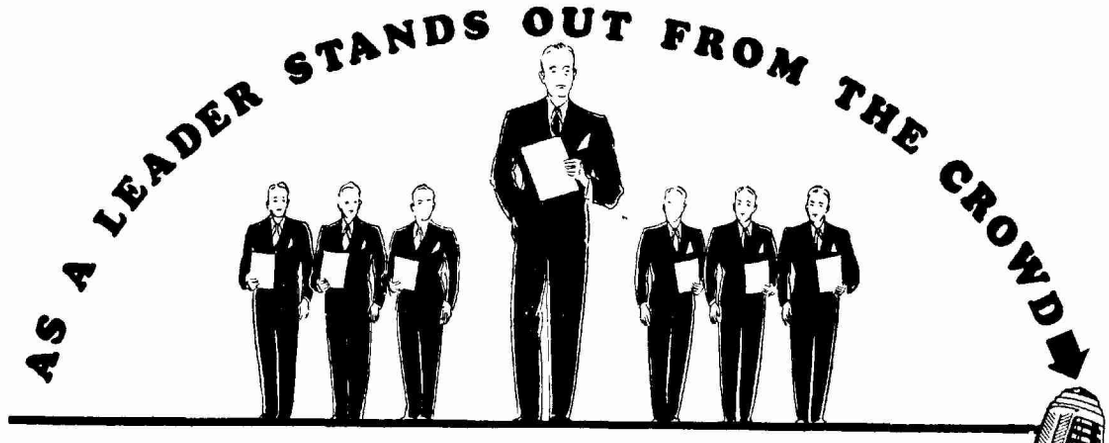

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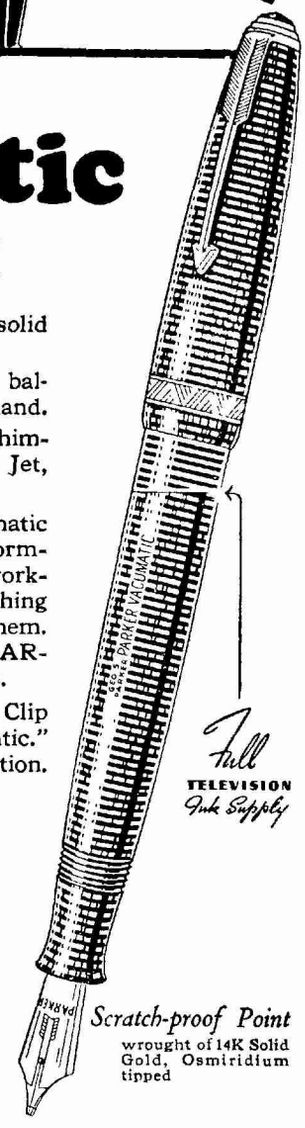

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Japanese Printing Monopoly Organized

A new Japanese-controlled printing concern, capitalized at Yen 3,000,000 was organized in Shanghai on Dec. 16 at a meeting held at Broadway Mansions. The company will have a monopoly of all public printing including public documents, school books and other official publications of the "Reformed" Government at Nanking. The announcement, by *Domei,* claimed that the concern also had Chinese on its board of directors and that the Ministry of Industry at Nanking would have supervision over the activities of the company.

Heretofore all school books of China have been printed by the large private Chinese publishing houses at Shanghai, the Commercial Press, Chung Hwa Book Company and World Book Company. The plant of the Commercial Press in Chapei was destroyed by Japanese bombers during the hostilities in 1932 and 1937. Recently the Japanese military authorities raided the plant of the World Book Company and confiscated some 6,000,000 copies of school books which were shipped to Japan to be sold as waste paper.

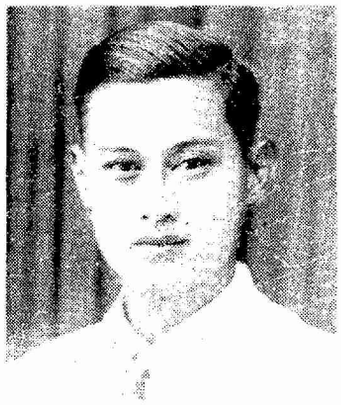
Pig Bristles Without Pigs

The Weco Products Company, manufacturers of Dr. West's toothbrushes, announced (Time Magazine, Oct. 31) the marketing of its first toothbrush made of synthetic bristles, replacing standard hog-bristles, previously imported in large quantities into the United States from northern China. Recently, the Japanese seized control of the bristle trade in Tientsin, chief assembling and shipping point. According to the announcement the synthetic product consists of coarse strands of the new Fibre 66, invention of the Du Pont de Nemours Company, which is claimed to absorb only 20 percent as much moisture as the natural product.

Both Du Pont and Celanese Corporation have begun production of the new synthetic silk yarn which is expected, within one year, to replace all Japanese raw silk shipped to the United States for the manufacture of stockings. The report stated, "the Japanese silk-worm soon will spin no more for U. S. hosiery makers."

Who's Who in China

Flight-Lt. J. Wan Shi-hung, aviator; born at Batavia, Java, July 14, 1907; descended from the late Wan Sang-choi (who assassinated the Governor of Kwangtung in the Ching Dynasty), whose forefathers migrated from Mei Hsien,



溫錫洪
Flight-Lt. J. Wan Shi-hung
(Wen Hsi-hung)

Kwangtung, to Java as rice merchants; graduate of Chung Hwa Hui Kuan in Batavia, St. Joseph College in Singapore, Chung-San University and Kwangtung Aviation School in Canton; Instructor at Central Aviation School in Nanchang; former editor of the Chinese Malay daily, *Perniagaan* (or *Siang Po*) in Batavia; former Chinese secretary in the Italian Consulate-General in Hongkong and South China; participated in aerial battles against the Japanese during the hostilities in the Shanghai-Nanking area and was wounded in Nanking prior to the fall of that city in December 1937; address: c/o Central Aviation College, Kunming, Yunnan.

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Japanese Plan Film Studios Here

Shanghai is destined to become the "Hollywood of China" under plans now being drafted for establishment of a film studio through the creation of the China Motion Picture Company under sponsorship of the Peking and Nanking Governments, *Domei* reported this week. The semi-official cinema concern will be capitalized at Yen 2,000,000, which will be subscribed by the two governments and civilian film companies.

Two studios, a large one at Shanghai to be devoted exclusively to the filming of "modern" pictures, and another on a smaller scale at Peiping, which will be confined to the production of "old style" vehicles, are planned. The Shanghai studio will be ready for work not later than March. Chinese actors and actresses will comprise the list of players. Promoters of the firm are now pushing organization schemes following consultations with officials of the Manchurian Film Corporation and the major Japanese motion picture firms such as the Shochiku, and the Toho companies, it was understood.

Dr. Kuangson Young Consul at Manila

C. Kuangson Young, former Secretary of the Chinese Embassy at Washington and later Consul-General at London, has been appointed Consul-General at Manila. Prior to departing from China about a year ago, Dr. Young was managing-director of *The China Press*.

According to *United Press* report from Manila, Dr. Young has already assumed his new post. In an address delivered upon arrival in Manila Dr. Young said that time and space are on China's side and "buttressed by determination, unity and endurance, China could outlast her opponents." Dr. Young said that these facts are now generally recognized. He predicted that other countries would shortly follow the lead of the United States in granting credits to China. He cited particularly the British Lord Mayor's fund which had contributed more than £150,000 for relief in addition to large quantities of medicines. Dr. Young also addressed some 500 Chinese Boy Scouts and Girl Guides in Manila, urging them to work for the New Life Movement and support Gen. Chiang Kai-shek.

Manchukuo Trade Figures in the Red

Manchukuo's foreign trade for November showed an adverse balance of Yen 82,000,000 with imports totalling Yen 129,000,000 against exports of Yen 47,000,000, the Department of Economics in Hsinking announces. Foreign trade since the start of this year amounted to more than Yen 1,700,000,000, a huge gain over the corresponding period last year.

Currency Conference Due at Kunming

A National Currency Conference will be convened by the Ministry of Finance, before the end of the year, at Kunming (Yunnanfu), provincial capital of Yunnan. Besides the various Provincial Commissioners of Finance, the Conference will also be attended by representatives of the various Chinese banks. The Conference will discuss measures for the readjustment of the currency situation during the campaign of resistance.

BABY'S COLD CHECKED AND SOON BETTER

Graduate Nurse believes in prevention

BECAUSE colds may bring on serious complications, be sure to use a simple, safe remedy immediately baby coughs and shows cold symptoms. Mrs. Thalter-Gill, of Barrie, Ontario, Canada, has found Baby's Own Tablets a most effective treatment for this purpose. She writes:—

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In the United States Court for China

In re. Last Will and Testament of FREDERICK PAUL BEACH, Deceased	Cause No. 4377 Special Proceedings No. 2256 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Frederick Paul Beach, deceased, to present the same with vouchers to the undersigned on or before July 1st, 1939, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Frances Beach Bingham,
Executrix.
Foochow, China.

December 1, 1938.
Shanghai, China.

Men and Events

The Council of Regency, governing body in Siam, has appointed as Prime Minister the present Minister of Defense, Col. Luang Bipul Songgram.

Leon Friedman, chairman of China Motors, departed this week on a trip to Europe and the United States. He will return to Shanghai next spring.

Signor Luigi Cortese, Italian Minister to Manchukuo, arrived in Kobe on Dec. 15 on his way to Tokyo to confer with the Japanese Foreign Minister.

Daniel Calhoun Roper, Secretary of Commerce in President Roosevelt's Cabinet, has resigned, his announced reason being a desire to resume his personal business.

The British 10,000-ton cruiser Suffolk was quarantined at Weihaiwei on Dec. 16 because of two cases of smallpox on board. The men were taken to the British Naval Hospital.

Major Arthur Bassett, director of the British-American Tobacco Company, has been appointed a member of the Public Library Committee of the International Settlement in place of Capt. X. T. Hutchins, deceased.

Walter G. Schmidt, assistant secretary of the Foreign Y. M. C. A. was married on Saturday, Dec. 17, at the Church of Christ the King, to Miss Caliope Sentouktsis of Shanghai. Mr. and Mrs. C. Sentouktsis of Shanghai. Mr. and Mrs. Schmidt will go to Japan on their honeymoon.

President Roosevelt, on Dec. 15, broke the first ground for the construction of the projected U.S $3,000,000 Thomas Jefferson Memorial. In an address delivered on the occasion, President Roosevelt paid high tribute to Jefferson's service to the nation in establishing the United States as a "democracy and not an autocracy."

Marc Chadbourne, well known French writer, is now in Chungking collecting material for his fourth book on Far Eastern affairs, the previous ones being, "L'Extreme Orient," "L'Extreme Occident," and "Chine." In an interview with *Reuters* correspondent, Mr. Chadbourne said that the Sino-Japanese struggle was altering the history of the world.

The French authorities announced, on Dec. 16, the strengthening of police patrols in Shanghai's notorious "Blood-Alley" district, recent scene of a near-clash between Italian and French sailors and police. The new patrols some of whom wear steel helmets and bullet-proof vests, will maintain order in the area during the Christmas and New Year periods.

Members of the Royal Asiatic Society will give a reception for members and guests of the organization on Thursday, Dec. 29 from 5 to 7:30 o'clock in the afternoon. Mr. and Mrs. Richard Hubert will show a color motion picture entitled, "People of the Philippines." There also will be a special radio program. Members will be permitted to bring two guests each.

Theodore C. Garrett, a young American who returned to Shanghai after having been given a suspended sentence under provision that he leave town several months ago, has again departed from the city, this time for Japan. Garrett was arrested last spring on the charge of operating a gambling establishment and was sentenced to one year's imprisonment, which was later suspended on condition that he leave town. When he returned recently he was re-arrested and sent to Ward Road jail where he served 45 days, following which he was again permitted to depart from the city upon recommendation of District Attorney Leighton Shields.

According to a report published in the *Asahi* (Tokyo) on Dec. 11, one of the large Douglas-type passenger planes of the Japan Air Transport Company was overturned and badly smashed up at the Peiping airdrome. For some reason this important item of news was not included in the usually voluminous reports of *Domei* which are delivered to Shanghai newspapers.

The Emperor of Annam, Bao Dai, who broke his leg while hunting, was taken to a hospital in Saigon on Dec. 15 for treatment. Later he will be taken to the palace of the French Governor-General where he will live during his stay. According to the report it was the first time the Emperor had ever entered the city of Saigon. He was transported there by airplane following the accident.

Masayoshi Yamagami, Moscow correspondent for *Domei* news agency, died in Tokyo on Dec. 15 at the age of 42 years, the cause of his death being stomach ulcers and peritonitis. Mr. Yamagomi previously served as a member of the staff of the Shanghai *Nichi-Nichi* and later with *Toho* and *Rengo*, in Hongkong, Nanking, Peiping and elsewhere. He was a graduate of the College of Agriculture and Forestry of Kagoshima.

William Rutley Mowll, for many years manager of Reuters' Economic Services in the Far East and on several occasions manager of the general news office at Shanghai, died in London on Dec. 16, following an operation. He was 43 years of age and joined Reuters in 1922. He recently went to London for medical treatment. He is survived by Mrs. Mowll and two small sons, who were in England at the time of his death.

An attempt by a group of White Russians, including two girls, and a British skipper, Capt. A. C. Newton, to cross the Pacific in a Chinese junk, ended ingloriously last week when the junk returned to Shanghai after a trip of only 70 miles out of Shanghai. The main mast, from which the White Russians had unfurled the old Imperial Czarist ensign, was broken. The boat managed to get back by means of its 6-cylinder Buick engine which had been installed prior to departure. The crew consisted of Misses Luba Schenikoff and Olga Alskner, chief officer Leo Tomashevsky, engineer Leo Rudchenko, seamen Serge Miursanoff, P. Piatakoff and V. Dzule. The junk was named "Adventure" and it was planned to reach San Francisco in time for the opening of the Exposition next February.

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W. H. Kiang, executive secretary of the National Committee, Y.M.C.A. has returned to Shanghai from a trip to Hongkong.

Hiroshi Yoshida, Japanese Consul in Warsaw, Poland, has been appointed Consul in Los Angeles, Cal. Denjiro Kato, Consul-General at Mukden has been transferred to a similar post at Tsingtao.

I. I. Spilwanek, Consul-General and Counsellor of Embassy for the U.S.S.R. stationed at Shanghai and Peiping, has returned to China from leave of absence in Moscow. Mr. Spilwanek plans to remain in Shanghai for sometime.

A divorce was granted Harry Morris Stuckgold against his wife, Margaret Elizabeth Stuckgold, in the U. S. Court for China on Dec. 16. Mrs. Stuckgold, who is now residing in the United States did not defend the action. Mr. Stuckgold was represented by attorney H. D. Rodger.

Some 600 printers and other employes of The Commercial Press staged a two-hour sit-down strike on Monday, Dec. 19, the purpose being to demand reinstatement of the pre-war wage scale, recognition of the workers cooperative association and a subsidy covering the expenses of the association.

Prof. Hubert Liang, head of the Department of Journalism of Yenching University, who recently went to Hongkong from Shanghai, has departed for the United States by Clipper plane. He plans to remain in the United States for several months. His address in the United States will be in care of the International Committee, Y.M.C.A., 347 Madison Avenue, N.Y.

The San Marco Marines, part of the Italian forces formerly stationed in the Italian Concession at Tientsin and later transferred to Shanghai, departed this week for Italy on the steamer Conte Biancamano. The San Marco contingent was involved in a fight with French sailors and Concession Police in the "Blood-Alley" district on the night of Dec. 4.

A special memorial ceremony was held at the British Supreme Court in Shanghai on Dec. 16 in honor of the late Harold Browett, senior member of the British Bar who died here on Wednesday, Dec. 14 at the age of 76 years. Judge Sir Alan Mossop presided and addresses were delivered by Sir Herbert Phillips, Consul-General, Judge P. Grant Jones and members of the British Bar.

Two Chinese peasants, one 26 and the other 17, were removed from the steamer Hungyun, in a badly wounded condition and were taken to St. Luke's Hospital for treatment. The men stated they were seized by Japanese soldiers and questioned about the presence of guerillas on Tsungming Island, near Woosung. As their replies apparently were unsatisfactory, both were shot. The incident occurred on Saturday, Dec. 17.

Dr. Saburo Yamada, who has been president of Keijo University since 1931 and a member of the Imperial Academy and an authority on private International Law, has been recommended as President of Tokyo Imperial University, according to report in the *Asahi Shimbun* on Dec. 10. The recommendation was signed by 190 members of the faculty of the University and will now go before the Cabinet Council for final decision.

Mrs. Y. Y. Tsu and Mrs. Chang Fu-ling were speakers at the December meeting of the Shanghai Chapter, Daughters of the American Revolution, held at the home of Mrs. A. M. Dunlap, on Thursday of last week. The subject discussed at the meeting was "Conservation of Life." Mrs. C. H. Westbrook spoke on conservation and reconstruction in the United States and was followed by the Chinese speakers who told of the work among wounded soldiers and civilians, the New Life movement and other activities connected with the war situation.

Miss Lelia M. Hinkley of the National Committee, Y.W.C.A. is departing shortly for the United States. She is traveling by way of India and Europe,

John Morris, repaesenrative in the Far East for *United Press*, was taken to Isolation Hospital on Monday of this week suffering from a mild attack of smallpox.

W. S. Leonard, manufacturers' representative, has returned to Shanghai from a business trip to the United States. He is planning to proceed shortly to Hongkong and Manila.

Paul H. Bordwell, formerly assistant general manager of the Dollar Steamship Lines, has been appointed assistant vice-president of the American President Lines, Ltd., according to report from San Francisco received in Shanghai this week. Mr. Bordwell will continue his headquarters in the Far East.

The Emperor of Japan, on Dec. 17, had for luncheon, at the Imperial Palace, a menu composed of exactly the same foods which the regular Japanese Army eats while in service in China. According to *Domei* the food was transported to Tokyo by special messenger from the Chinese front. The type of food was not mentioned, but the report stated that the Emperor had voluntarily relinquished many conveniences since the beginning of the war.

A new British gunboat, the H. M. S. Scorpion, 585-tons, arrived in Shanghai this week for service on the Yangtsze where it will serve as flagship of the Yangtsze Flotilla. The Scorpion will take the place of the Bee which has been decommissioned. Rear-Admiral R. V. Holt will have his headquarters aboard the new ship. The British Cruiser Suffolk, which has been in North China waters, returned to Shanghai on Tuesday this week with one of its officers, Surgeon Lt. Commander A. R. Ewart, suffering from smallpox.

Tyler Dennett, former chief of the Division of Publications of the Department of State, former associate editor of *World Outlook* and later President of Williams College, is now visiting in Shanghai on his way to Australia and New Zealand. Mr. Dennett is a graduate of Johns Hopkins and has graduate degrees from Harvard, Amherst, Columbia and Princeton. He visited China several years ago and directed the publicity for Methodist Centenary. Among his best known writings are "Americans in Eastern Asia," "Roosevelt and the Russo-Japanese War," "and a Biography of John Hay."

The well-known drug firm, McKesson & Robbins, whose affairs are under investigation by the U. S. Department of Justice following the suicide of Philip Musica, alias F. Donald Coster, head of the firm, carried on a large import business with China until a few years ago, in addition to marketing its products in this country. Chief among the firm's imports from China were laage quantities of wood oil, most of which came down the Yangtsze. In connection with this trade, McKesson and Robbins maintained offices in Hankow and Shanghai.

A group of Chinese residents of Shanghai whose native home is at Hwaiyuan, on the Hwei River in northern Anhwei province, presented an embroidered scroll to the American Presbyterian Mission, which has a station at Hwaiyuan. The scroll was presented to the American missionaries as a token of appreciation for protection given their relatives at the time of the Japanese occupation of the district. Prof. Harper Wang, ret presentative of the Chinese group said that the service rendered was of value to the people of the district and the memory of their sympathy for the suffering would remain in their hearts as a lifetime memory.

The United States Transport Henderson, carrying 70 marines as replacements for the U. S. Fourth Marines at Shanghai, is scheduled to arrive on Dec. 30. Approximately the same number from Shanghai will return to the United States when the Henderson returns here following a trip to Chinwangtao. The ship will return to the United States by way of Philippines, Guam and Hawaii.

Yen Bloc Bank Under Consideration

Establishment of a new powerful bank as a central financial organ of the yen bloc countries, Japan, Manchukuo and China, with a capitalization of Yen 1,000,000,000, is being seriously considered by influential bankers, business men and members of the Upper House of the Diet, the Tokyo *Nichi-Nichi* reported Dec. 20. According to tentative plans under discussion at present, the new bank would be named the Central Bank of East Asia and would aim at facilitating banking transactions to aid the economic development and exploitation of natural resources of Manchukuo and China.

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New Books of Interest in the Far East

Missionary Enterprise

Gateway to Tibet: The Kansu-Tibetan Border. By Robert B. Ekvall, B.A., F.R.G.S. Introduction by the Rev. William Christie. Harrisburg, Pa., Christian Publications, Inc., 1938. 198 pp., map.

The opening of Tibet to western influences has been and is one of the most difficult adventures of western penetration in the Orient. This book shows a Christian missionary enterprise following in the tradition of the Lazarists Huc and Gabet, who in 1844 started on the missionery trip which finally carried them to Lhassa itself, from which they were deported upon representations of the Chinese minister. In the years since then, although well-nigh a century has passed, little advance may seem to have been made. Lhassa remains remote. Yet this book which covers a period of forty-one years shows that definite steps have been made in planting an indigenous Christian church in the Kansu-Tibetan marches under the Christian and Missionary Alliance.

The work of the missionary, interrupted because of political upheavals during the past two decades, has been intensified in this area. Here have taken place two Mohammedan rebellions, the Boxer uprising, the 1911 revolution, the White Wolf raids, the 1927 civil war, the Red invasion of Kansu, as well as a number of local disturbances. Not only has the political situation made the work of pioneering and evangelization doubly difficult, but the racial and religious conditions have intensified all problems. All this is shown by Mr. Ekvall.

As a record of missionary work in China, this book presents the developing of an idea which first expressed itself at the Old Orchard Convention in 1886. It was ten years later that the first missionaries of the Alliance movement finally reached the borders of Tibet, toward which their movement is particularly directed. The working out of this object from the time of their first settlement in Taochow Old City is the theme of this book. The excellent map of the Kansu-Tibetan border is an admirable feature of the book.

F. M. R.

The War Goes On

China at Bay—By Wilfred L. Chester. Published by Kelly & Walsh, Ltd., Shanghai. 214 pp., limp covers. Price $3.50.

The title of the book aptly describes the situation of China ever since the outbreak of hostilities in the vicinity of Peiping on July 7, 1937. Fighting a defensive war, a war of resistance, a war forced on her by aggressive Japan, China has been at bay all these eighteen months, and still stands at bay, unyielding, and with an unbending will to fight to the last. How such a situation came about, how China has been able to stand the onslaught of the Japanese forces, what the invader has relentlessly done in order to satisfy her hunger for conquest,—these are some of the phases of the Sino-Japanese war on which the volume touches.

The book does not profess to be a record of events, as the preface points out, but has a value as discursive studies by a foreign observer of the various developments pertaining to, or arising from, the undeclared war. The concluding chapter entitled "China Will Win the War" has been reprinted from the *China Press* by arrangement with its author and the newspaper. It may be inferred that the writer of *China at Bay* shares in the prevalent conviction that China will ultimately win the present war despite Japan having gained footholds in North, East and South China.

As far as Japan is concerned, the foreign observer exposes the following points, which the reviewer picks up at random. Internationally, Japan has destroyed faith in treaties and collective security, trampled on third-power rights and interests in the occupied territory, and manifested bitter anti-foreignism while claiming her special position in the Far East. Morally, her imperial army has lowered its prestige by bombing open cities as well as cultural institutions, allying itself with smugglers and narcotic dealers, and committing sadistic excesses. Her military weaknesses are found in the miscalculations of her high command, in the necessity of garrisoning all captured cities, and in the carrying out of a protracted warfare in a country of continental dimensions.

On the Chinese side, the author sees that the war of aggression has completed China's unification, that there is no visible sign of abating resistance either in will or in power, that Generalissimo Chiang Kai-shek has become the symbol of national defence, that China has unlimited man-power and financial resources to draw upon for a long-term war, and that the time factor works in her favor. Whereas Japan aims at a quick victory, the Chinese strategy is to wear the enemy out. The Japanese should realize that they paid dearly for the capture of Hsuchow, and that Hankow, the main object of their Central China drive, has proved but an emptied shell in their hands.

In spite of China's gallant and unaided efforts of self-defence, in spite of Japan's violence against China and her violation of international obligations, the League of

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Nations has evaded its responsibility, while the powers signatory to the Nine-Power Treaty have done nothing to stop or even to discourage the violator. This the author also points out, rather in despair. In the light of the more recent overt actions of the Japanese government in discriminating against third power traders in the occupied regions, it is not out of place to declare—the reviewer is, however, only repeating what public opinion demands and what official notes hint—that retaliation should be instituted by those suffering nations upon whom Japan's export trade depends.

Whatever loopholes it has, the instrument of sanctions or international boycott can be more than a symbolic weapon against the aggressor without leading to war. The United States would show, not only goodwill towards China, but realization of a potential threat to herself, if she promptly amended the Neutrality Act so that it was directed against the aggressor, and not against the victim of aggression.

S. P. T.

An Indictment

Japanese Terror in China—Documents Revealing the Meaning of Modern War, edited by H. J. Timperley. 220 pp., notes, appendices. New York, 1938: Modern Age Books. U.S.$0.75.

This volume is the American edition of "What War Means—The Japanese Terror in China," which appeared first under the Victor Gollancz (London) imprint.

Many readers of the *Review* are already familiar with Mr. Timperley's book, and know that Mr. Timperley has presented irrefutable evidence of Japanese atrocities, particularly the sack of Nanking. Much of the material, it may be remarked parenthetically, appeared from time to time in the *Review*.

Unfortunately, the American edition is a precise duplicate of the British edition and therefore repeats the shortcomings of the original. The duplication, in the American edition, of small errors of the original seems inexcusable, and the complete absence in both editions of many of the excellent photographs available seems inexplicable.

Again, it would seem pertinent that a volume depicting atrocities would utilize every source to prove its case. Nowhere in either volume is included the amazing admission made by General Iwane Matsui, then commander-in-chief of Japanese forces in the Yangtsze area, that the atrocities at Nanking were probably worse than reports indicated. When the enemy admits, nay, enlarges upon accusations made against it, the case is easily substantiated. Furthermore, Mr. Timperley fails to stress adequately that to this day the charges against the Japanese have never been denied by the Japanese. These points, in the opinion of this reviewer, are not vital but they certainly merit inclusion.

One final weakness of omission: It would seem inexcusable that the American edition, appearing at a much later date, could not bring events more up to date, and show—a very important factor—that the depredations of the Japanese Army have by no means ceased.

It should be noted, however, that the criticisms above are based upon what the book is not,—not what the book is. As it stands, it is indeed a unique indictment of Japan's conduct in China.

But the most outstanding weakness lies not in the factual material in the book, but in Mr. Timperley's conclusions. Answering his own question, "What are we to do," Mr. Timperley says: ". . . There can be no hope of peace for any of us unless we can set up and maintain some permanent system of collective security which will protect peace-loving nations against aggression . . ." Thus Mr. Timperley repeats a thread-bare formula, and a most faulty one at that. He offers no suggestion as to what type of "permanent system" of "collective security" he has in mind; he makes no analysis of the policies in China and elsewhere of the "peace-loving" nations in which he places so much trust. In the past few years, "collective security" has proved to be a fraud. Mr. Timperley revives this fraud.

". . . we can begin to implement our oft-repeated pledges by helping China with arms or, if that is not feasible, with financial aid . . ." states Mr. Timperley. He fails to identify the "we." Does he mean the "peace-loving" states? If these states do extend aid to China, is it not pertinent to ask why? The answer is a simple one: self-interest. The "peace-loving" states don't give two hoots about China from any moral point of view. Governments are not interested in morals. It is the *people* who are interested in morals. Appeals should be addressed to them, on an international scale, rather than to the hypocritical leaders of the "great democracies" who plan now a blood-bath which will make the horrors Mr. Timperley narrates the legal and moral duty of the day.

K. S. C.

A Liberal View

Europe and Europeans—By Count Carlo Sforza, Bobbs-Merrill, New York, 1936. 312 pp. and Index. U.S.$2.75.

Count Sforza calls his book, published in 1936, "A Study in Historical Psychology and International Politics," but a further label is implied. Dedicated "To All Those Who Still Want to Hope" the volume is a timely suggestion for future thinking and judgment, despite the fact that the author is an unfashionable liberal in these days of regimented radicalism. But even though his liberalism is out of style, Count Sforza has had experience as a diplomat for Italy. He served as Minister to Peking in 1911, to Serbia during the World War, as High Commissioner at Constantinople after the World War, Italian Foreign Minister, 1920-21, and Ambassador to France until the advent of Mussolini in 1922. Since then he has written and lectured widely, especially in the United States at numerous universities.

What is his point of view as a liberal, and does it have any point for us? First, he values "a sense of history" in people of power, so that there will be some guidance in determining actions. Why? Because as an historian he knows that actions have both political and moral effects on future generations. It is in support of this principle that most of this book is written. France divided Europe into two camps in 1648 by the Treaty of Westphalia, so that for 300 years French and Germans have suspected each other of intrigues and alliances. Or, to quote another instance.

"Misapprenhension endured after the (World) War. It was forgotten—Paris willed to forget—that neighbors never crush one another definitely; that after

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CUSTOM HOUSE,
Shanghai, 21st December, 1938.

The Woman Of Middle Age

**There is not a woman anywhere,
Married or single, rich or poor,
Above the age of forty,
Who is not perturbed at the thought
Of what sufferings may be her lot
During the next few years.
Yet these miseries are not unavoidable.
Nor should they be encouraged
By unnecessary fears, which
Undermine nerve, spirit, morale.
Usually all that is needed
To ensure safe and tranquil passage
Through this time of change is
A plenitude of rich, red, strengthening blood
Such as Dr. Williams' Pink Pills supply.
Let these Pills safeguard you
As they have safeguarded many others.
Your chemist has them.**

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Rossbach comes Jena; after Jena, Sedan; after Sedan, the Marne . . . ."

In other words, a crushing victory today means a crushing defeat tomorrow and *vice versa*. After Westphalia, warlike Prussia arose. After Austria defeated Italy at Caporetto, desperate Italy routed Austria on the Piave. Count Sforza has written deeply.

It follows, then, that "the idealistic reasons for a national policy constitute essential elements of reality." "Idealistic reasons" are not the slogans of empire builders, but rather are based on the profit of all concerned. Applied to colonies, we learn that exploitation by the mother country means inevitable unrest in those colonies, or else that the colonies become stagnant and unproductive. When has this not been true? Read history, Oh sons of Yamato!

When he turns to leaders, the author makes another profound point. The highest duty of a leader is to create a political tradition so that others may carry on. Witness the failure of the aims of Cromwell, Napoleon, and William II, for no one could fill their shoes. Who will take the jobs of the present crop of dictators? From this we learn that leadership must not be autocratic or spectacular, for it harms the nation by depriving the people of the exercise of liberty. It is hard to resist quoting, but these matters are vital:

> "Such is human nature: when one is forced to endure bitter humiliations without possibility of rebellion, one ends by trying to forget all that; very soon one begins to say that the position is not so bad after all . . . He who has traveled in the ancient East has seen nations which seem to have been everlastingly degraded by long generations of despots into servile races without hope and without faith."

Lately we have watched England striving frantically to maintain her safety through the currents of international bargaining. But Count Sforza recalls other problems with roots in the past—France encircling Germany, Germany breaking the circle; the Hapsburgs ruling the Austro-Hungary patchwork, the various peoples rising against them with the implicit help of Italy; Europe bogging down in the Near East and North Africa. Looking ahead, he states that "the German schemes toward Russia are the main problem of post-war Europe . . . for dictators cannot do without wars." These are conflicts of our time, and it is we who will pay for them, because individuals and states fail to see that a common law of live and let live is the only practical solution to our present social anarchy. It takes an idealistic liberal to demonstrate practical common sense.

T. H.

War Origins

How the Far Eastern War was Begun—By Shuhsi Hsu. Kelly and Walsh, Limited, Shanghai.

Dr. Shuhsi Hsu has prepared a study on the beginning of the Far Eastern war, under the auspices of the Council of International Affairs, now in Chungking, in the hope that some light may be thrown on the question of how the present war started.

He takes up the discussion of the legal problems involved in the Boxer Protocol; the more recent North China agreements, and the Shanghai Armistice agreement of 1932, showing relationships to the present warfare.

Dr. Hsu's conclusion that the Japanese have long violated the articles of the Boxer Protocol, and thereby forfeited their right to operate under its provisions, has been accepted by all impartial observers. Again, few need to be convinced that the Japanese first violated the Tangku Truce, and even after the Ho-Umetsu and Chin-Doihara agreements, they continued their policy of promoting a separate North China by such well-known acts as increase of garrisons and the promotion of smuggling and sales of narcotics.

Despite all such aggressive and inimical actions, the author contends, the Chinese Government still held out hope for peace. The Japanese, on the other hand, decided for a general rather than a localized war in the North. So, when two Japanese marines, in uniform, were killed near the Hungjao airfield on August 9, immediately Shanghai was flooded with arms, ammunition and supplies for the Japanese Naval Landing Party. At the same time, regular Chinese troops began pouring into Shanghai in response to the arrival of the Japanese armada. Japanese naval planes were seen over Shanghai, Hangchow, Ningpo on August 12; and troops were stationed at sections along the Settlement boundary facing the regular Chinese troops to "protect the Settlement." Fighting broke out on the following morning.

Parrish, in Chicago Tribune.

The author contends that the Shanghai armistice of 1932 had not been violated by the Chinese until a definite threat was made by Japan to Chinese security. He reminds the reader of such illegal actions on the part of the Japanese as building their fort near Hongkew Park; of paralyzing traffic and business in the Northern area, including parts of the Chapei countryside, for maneuvers whenever the whim struck them, asking whether such rights can be found in the terms of the agreement (which he quotes). Therefore, it was but natural that the war begun in North China in July should have been extended to Shanghai by hostile gestures on the part of Japan. These gestures, says Dr. Hsu, make it "clear enough that the Chinese government was justified in despatching regular troops into the armistice areas. In so doing it performed nothing more than, as it had itself declared, an act of self-defence . . . legitimate self-defence has a place in law, international or municipal, and no amount of abuse can affect its legal force."

M. V.

On Justice

Justice in England—By a Barrister. Left Book Club Edition, published by Victor Gollancz, Ltd., London.

The object of *Justice in England* seems to be an attempt to prove that there is no justice on the premise that there can be no true justice in a capitalist country. There are probably more Englishmen who are positive there can be no justice in a totalitarian country than Englishmen who will accept the arguments in this small book.

Whereas a fairly accurate picture of English judges, juries, lawyers and court procedure is presented, together with the questions of legal aid for the poor litigant or defendant and political aspects of the law, the impersonal reader cannot help but feel that the left aspect is stressed to the unfair exclusion of the other side of the question. The conclusions, which are open to question, are that the legal machine favors the rich against the poor, the Government against the working class, and that any attempts to reform the machine will fail, because "only in a Socialist state can there be justice."

A. T.

Fascism and Democracy

The Temptation of Jonathan—By George Sylvester Viereck. The Christopher Publishing House, Boston. U.S. 50 cents.

George Sylvester Viereck, who has been called everything from a master of creative imagination to a master of cowardly pacifism, has now written a short parable in which he summarizes the present controversy between fascism and democracy which is being debated throughout the world. He concludes that democracy should not allow fascists to dictate, but instead that people in democratic nations should work hard to relieve such problems as unemployment, sweatshop work, racketeering and violence, allowing fascist nations to go their own ways. The parable is in the form of a small pamphlet, only 32 pages long. It is couched in extremely effective allegorical style.

S.E.C.

Aviation Experiment Fund Allotted

Further study of the wireless facilities for aviation and experiments on types of Japanese aircraft have been boosted through the granting of a subsidy of Yen 250,000 by the Education Ministry to the Society for Promotion of Science for the next fiscal year.

Aeronautical Institute

Construction of the Central Aeronautical Research Institute will be started next April on a five-year plan which provides for an expenditure of Yen 50,000,000. An allocation of Yen 3,630,000 to the Japanese Ministry of Communications for the first year of construction was approved by the Cabinet Dec. 2. The Ministry of Communications will call a special committee meeting to map detailed plans to build the institute.

Saw Nothing but Perfect Peace in China

Habibulla Khan Tarzi, Minister from Afghanistan, in Japan, accompanied by Mrs. Habibulla Khan Tarzi, has just returned to Tokyo from a tour of Manchukuo and Japanese-occupied areas in China as a guest of the Japanese authorities. In an interview with the *Nichi-Nichi* upon his return, on Dec. 12, the Afghan Minister said that on this trip from Hsinking to Chengte in Jehol, and from Peiping to Nanking and Shanghai, he was surprised to find that "perfect peace had already come and reconstruction was in progress." In Nanking he found the city peaceful, the hotels fine and the goods plentiful. "So far as we traveled," he said, "there was nothing but peace and we saw nothing to remind us of the 'incident.'"